



Virginia
Retirement
System



Virginia Retirement System Disability Retirement

Handbook for Members in Plan 1 and Plan 2

VRS
Plan 1 & 2



PROVIDING INFORMATION ABOUT...

Disability Retirement

Resources

Post-Retirement Benefits



Virginia Retirement System Disability Retirement

Handbook for Members in Plan 1 and Plan 2

If you can't work because of a disability that is likely to be permanent, you may be eligible to retire on disability under the Virginia Retirement System (VRS).* The disability may be non-work related or work-related. VRS administers disability retirement benefits in conjunction with a medical board comprised of practicing board-certified physicians and other healthcare professionals.

CONTACT VRS

Web site: www.varetire.org

Toll-Free Telephone Number: 1-888-VARETIR (1-888-827-3847)

TDD: 804-344-3190

E-Mail: vrs@varetire.org

Important e-mail notice: *Do not send personal or confidential information, such as your Social Security number, by e-mail. VRS will send only non-confidential replies.*

Mailing Address:
Virginia Retirement System
P.O. Box 2500
Richmond, VA 23218-2500

Note: The information contained in this handbook is governed by Title 51.1 of the *Code of Virginia*. This information is intended to be general. It cannot be complete in all details and cannot supersede or restrict the authority granted by the *Code of Virginia*, which may be amended from time to time.

* You are not eligible to be considered for VRS disability retirement if you are a state employee covered under the Virginia Sickness and Disability Program (VSDP). For more information, see the *Virginia Sickness and Disability Program Handbook for State Employees* available from your human resource office or the VRS Web site at www.varetire.org.



Benefit Information and Planning Resources

VRS Web Site at www.varetire.org

- *myVRS*, a secure online system providing retirement planning and information from your member record
- Benefit information, forms and publications, including member handbooks and guides
- Free member education about your benefits, financial literacy, retirement planning and the Commonwealth's 457 Deferred Compensation Plan with online registration

One-on-One Member Counseling

- Talk with a counselor about your retirement options, applying for retirement and retiree benefits. Walk-in counseling is available Monday-Friday, 8:30 a.m.-5 p.m., on a first-come first-served basis. Limited scheduled appointments are available during the week; call VRS toll free at 1-888-VARETIR (1-888-827-3847) for more information. See www.varetire.org for directions to VRS.

Key Contacts

- American Association of Retired Persons: 1-888-OUR-AARP (1-888-687-2277); www.aarp.org
- Anthem Blue Cross/Blue Shield (State Employees): 1-800-552-2682; www.anthem.com/cova
- Commonwealth of Virginia 457 Deferred Compensation Plan: 1-VRS-DC-PLAN1 (1-877-327-5261); www.varetire.org (select the Defined Contribution Plans tab)
- Commonwealth of Virginia (COV) Voluntary Group Long Term Care Insurance Program: Genworth Life, 1-866-859-6060; www.genworth.com/cov
- Federal Public Safety Officers' Benefits Act: 1-888-744-6513; www.ojp.usdoj.gov/BJA
- Group Life Insurance Program: Minnesota Life, 1-800-441-2258
- Internal Revenue Service: 1-800-829-1040; www.irs.gov
- Medicare: 1-800-MEDICARE (1-800-633-4227); www.medicare.gov
- Social Security Administration: 1-800-772-1213; www.ssa.gov
- Virginia Department for the Aging: 1-800-552-3402; www.vda.virginia.gov
- Virginia Department of Human Resource Management (State Employees): www.dhrm.virginia.gov
- Virginia Department of Taxation: 804-367-8031; www.tax.virginia.gov
- Virginia Line of Duty Act, Virginia Department of Accounts: 804-225-3038; www.doa.virginia.gov
- Virginia Workers' Compensation Commission: 1-877-664-2566; www.vwc.state.va.us

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1 Introduction to VRS Disability Retirement

If You Become Disabled • Medical Review • Eligible for Service Retirement? • Do You Have a VRS Power of Attorney? • *myVRS*: At Your Service • What to do if I...

If You Become Disabled

Are You a State Employee Covered Under VSDP? –

If you are a state employee covered under the Virginia Sickness and Disability Program (VSDP), you are not eligible for VRS disability retirement. For more information, review the *Virginia Sickness and Disability Program Handbook for State Employees* available from your human resource office or the VRS Web site at www.varetire.org.

Becoming disabled can have a major emotional and financial impact on you and your loved ones. Under the Virginia Retirement System (VRS), you may be able to retire on disability if you cannot work because of a non-work related or work-related condition that is likely to be permanent. This is a retirement plan that provides a lifetime monthly benefit. You also can elect to continue a lifetime monthly benefit to a survivor upon your death.

There are no minimum requirements for age or service under VRS disability retirement. You can apply from the first day of covered employment or within 90 days from your last day of employment. If you are on leave without pay, you have up to 24 consecutive months on leave without pay to apply for disability retirement; after 24 months, you are no longer eligible to apply. If you are on active duty military leave, you can apply at any time while on military leave.

If your application for disability retirement is approved, your benefit will be adjusted by any primary Social Security benefits you are eligible to receive. If your disability is work-related, your benefit will be adjusted by any workers' compensation benefits you are awarded. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act.

The VRS *Disability Retirement Handbook for Members* explains the provisions for disability retirement, how to apply and post-retirement benefits.

Eligible Employees

You are eligible to be considered for disability retirement if you are working in a VRS-covered position and you are a:

- Teacher, administrator, manager or clerical employee of a local public school division
- Employee of a VRS-participating political subdivision, such as a city, county, town, authority or commission, including a school maintenance, janitorial or cafeteria employee or a school bus driver as elected by the school division
- State employee hired before January 1, 1999, if you retained your eligibility to be considered for VRS disability retirement instead of electing to transfer to the Virginia Sickness and Disability Program (VSDP)
- Member covered under the Judicial Retirement System (JRS) or member of the General Assembly.

Eligible employees covered under Plan 1 and Plan 2 can apply for disability retirement. You are in Plan 1 if your membership date is before July 1, 2010. You are in Plan 2 if your membership date is July 1, 2010 or later. For more information about the plans, review the current *Handbook for Members* for Plan 1 or Plan 2 available at www.varetire.org or contact your human resource office. See also “Service Retirement at a Glance” in Chapter 3-Applying for Disability Retirement.

You are not eligible to retire on disability if you:

- Are covered under the Virginia Sickness and Disability Program (VSDP);
- Defer retirement;
- Leave employment and take a refund of your member contributions and interest;
- Participate in an optional retirement plan administered or authorized by VRS; or
- Have a disability that is not likely to be permanent.

Types of Disabilities

Under the provisions for VRS disability retirement, a disability may be:

- The result of a physical illness or injury or a cognitive condition. A cognitive disability is a loss or deterioration in intellectual capacity, such as Alzheimer’s disease.

What is Covered

Employment? – Covered employment is a full-time permanent salaried position with an employer that participates in VRS. Some part-time permanent, salaried state positions also are covered under VRS.

Applying for Disability

Retirement – The back of this handbook contains instructions and required forms to assist you with the application process. See Chapter 7-Application Instructions and Required Forms. These and other forms also are available at www.varetire.org. For more information, see also Chapter 3-Applying for Disability Retirement.

- Non-work related or work-related. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act.
- A chronic condition, such as diabetes or mental illness, that worsens to the point that you no longer can perform your job duties.

If you were disabled before becoming employed in a covered position, your condition must significantly worsen for you to be considered for disability retirement.

Other VRS Disability Retirement Benefits

In addition to the monthly benefit, the plan provides:

- A continuation of some benefits under the VRS Group Life Insurance Program if you were covered before retiring on disability.
- State retiree health benefits if you are a state employee. If you are an employee of a school division or a political subdivision, contact your human resource office about retiree health insurance your employer may offer.
- The health insurance credit, a tax-free benefit that assists with the portion of premiums you pay for individual health insurance premiums, if you qualify.

For more information about these benefits, see Chapter 5-Insurance in Retirement.

Line-of-Duty Benefits

If you are a state or local law enforcement officer, firefighter or emergency medical technician and you are disabled or die in the line of duty, you or your survivor may be eligible for state or federal line-of-duty benefits:

- For more information about benefits under the Virginia Line of Duty Act, contact the Virginia Department of Accounts at 804-225-3038 or visit www.doa.virginia.gov.
- For more information about benefits under the Federal Public Safety Officers' Benefits Act, contact the Bureau of Justice Assistance toll free at 1-888-744-6513 or visit www.ojp.usdoj.gov/BJA.

Medical Review

As provided in the *Code of Virginia*, VRS has hired an independent medical board to review the medical and job information submitted with applications for disability retirement and to recommend to VRS whether to approve or deny an application. The VRS Medical Board is comprised of board-certified physicians and other healthcare professionals. Before making its recommendation to VRS regarding your application, the Medical Board considers the following questions:

Is your condition likely to be permanent? VRS disability retirement is a retirement plan. To qualify for this benefit, your condition must prevent you from performing your job duties on a permanent basis.

Are you receiving medical care for your condition? You must be under the care of a doctor to be considered for disability retirement. If it has been more than six months since you last saw your doctor, your application could be denied. A phone consultation counts as a visit and will be recorded in your medical file.

Are you complying with your treatment program? If you do not follow a prescribed treatment program, your application could be denied for non-compliance.

Has VRS received your medical information? You are responsible for ensuring VRS receives all relevant medical information from each doctor you list on your application. You or your doctor can submit the required medical information. You will be responsible for any costs associated with collecting this information from your doctor.

Is the medical information objective? A letter from your doctor is an opinion. Results of an examination, test results or x-rays are examples of objective medical evidence.

Does your medical diagnosis relate directly to your ability to do your job? Being disabled does not automatically qualify you for disability retirement. Your condition must prevent you from performing your job duties. Your employer must submit your job description and other job information, which should explain fully all your required duties at the time of your disability, particularly any physical requirements such as walking, lifting or carrying.

The medical board may require an independent examination by a specialist. You will be notified in this event. If you refuse the examination, your disability retirement application may be denied.



Spend Time on Your Application

– If you qualify for disability retirement, you don't want to be turned down because of an incomplete application. Spend time ensuring your application includes all required medical and job information so that if you do qualify, you can begin receiving the benefits to which you are entitled in a timely manner. For more information, see Chapter 3-Applying for Disability Retirement.

Eligible for Service Retirement?



If you apply for disability retirement and also qualify for service (regular) retirement, it may be to your advantage to apply for both. For non-work related disability, you can begin receiving a service retirement benefit if your disability retirement application is denied, even if you decide to appeal the decision. For work-related disability, VRS cannot process your service retirement application while your disability retirement application is pending; however, your service retirement date and benefit payout option will be honored if your disability retirement application is denied. For more information, see Chapter 3-Applying for Disability Retirement.

Qualify for the hazardous duty supplement? The hazardous duty supplement is not payable if you retire on disability. If you qualify for the supplement, compare your estimated disability retirement benefit with your service retirement benefit including the supplement before applying for disability retirement.

Is Disability Retirement the Best Option?

Even if your disability is likely to be permanent, you do not have to retire on disability. If you are eligible for service retirement, you may find this to be the better option for your retirement needs. For more information, see Chapter 3-Applying for Disability Retirement. For information on benefit estimates, see “myVRS: At Your Service” in this chapter.

Do You Have a VRS Power of Attorney?

The VRS Durable Power of Attorney (VRS-901) allows you to name a person as your agent to take actions on your behalf and in accordance with your wishes in the event you no longer can handle your own affairs. If you become incapacitated, your agent can:

- Sign and file your application for disability retirement
- Name or update your beneficiary or survivor
- Request information about your benefits
- Take other actions, such as setting up a direct deposit, submitting a change of address or filing your tax withholding

The authority granted by the VRS-901 is limited to matters relating to your VRS record. The agent you designate on the VRS-901 will not have authority over other matters. You can create a valid power of attorney by writing, signing and submitting a statement with the name of your agent to VRS that says: **“I hereby grant my agent the authority to do or perform all acts that I could do.”** This statement would allow your agent to perform all acts under the Virginia Uniform Power of Attorney Act that did not require specific authority. It also would give your agent authority over other matters besides VRS benefits, such as bank accounts and personal property.

Already have a VRS power of attorney? The Virginia Uniform Power of Attorney Act allows you to be specific about the VRS matters your agent can handle. You also can name more than one agent to act on your behalf if the primary agent is unable to do so. If you have filed a VRS-901 with VRS, review it from time to time to see if you need to update your VRS power of attorney or name a new agent.

Authorization to Discuss VRS Account Information (VRS-900). The VRS-900 allows you to name one or more individuals to speak to a VRS representative about your VRS benefits and account information. It does not allow individuals to take actions on your behalf. If you would like the agent you name in the VRS-901 to speak with VRS about your information, you do not need to file a VRS-900.

Forms and more information are available at www.varetire.org.

Death-in-Service Benefits –

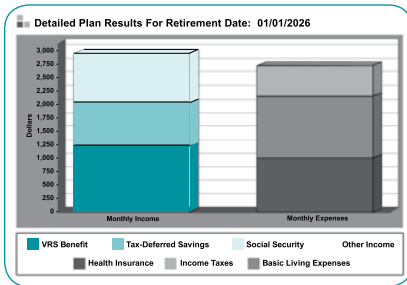
If you die while you are working, your loved ones may be eligible for a death-in-service benefit in addition to any life insurance benefits you may have. More information about death-in-service benefits is available at www.varetire.org. See also *Losing a Loved One: Guide for Families* available on the VRS Web site.

myVRS: At Your Service

As a member of VRS, you have instant access to *myVRS*, one of your most valuable member resources. This secure, online system provides up-to-date information from your member record as well as the following online tools:

- If you are in Plan 1, you can create different benefit scenarios through the **Benefit Estimator**, including a disability retirement estimate. If you are eligible for service (regular) retirement at the time you apply for disability retirement, you also can compare your disability retirement estimate to your service retirement benefit estimate to determine the best option for you. If you are in Plan 2, contact your human resource office or VRS toll free at 1-888-VARETIR (1-888-827-3847) for a disability retirement estimate. The *myVRS* Benefit Estimator currently is unavailable to Plan 2 members.
- Through the **Retirement Planner**, you can estimate your income and expenses upon retirement. Include your estimated VRS disability retirement benefit and income from other sources, such as income from a spouse or a primary Social Security benefit, if you are eligible. If you participate in the Commonwealth's 457 Plan or another tax-deferred savings plan, you also can include this income in your plan. Then, build in expenses you expect to have in retirement, including taxes and health insurance. You can use the assumptions the planner provides for many of these factors or enter your own figures.
- Through *myVRS*, you can look up your **Member Benefit Profile (MBP)**. This is your annual online benefits statement based on information your employer reports to VRS through June 30 of each year. The MBP shows your earliest service retirement eligibility dates, estimated benefit amounts and member contribution account balance, among other information from your member record. If you are eligible to participate in the 457 Plan, your MBP also shows a future retirement income estimate based on a target of 80 percent of your pre-retirement income as of June 30. If you have a financial advisor, he or she will find your MBP a helpful planning document.

Note – The estimates and plans you create through the Benefit Estimator and Retirement Planner are for your planning purposes only. They are based on your current VRS record, the information you enter and the policies in effect at the time you create them. The results may not reflect your actual retirement benefit amount or income and expenses in retirement.



Results of the Detailed Plan in the *myVRS* Retirement Planner are displayed in a bar graph so that you can easily compare income to expenses. The results also are detailed in a chart below the graph.

Creating Your myVRS Member Online Account

Setting up your myVRS account is easy. Select myVRS Access from www.varetire.org and then Members-Register.

Each time you log into myVRS, you come to your Account Home page. This page provides a snapshot of your service credit, contributions and projected retirement information. From the left column, you can select links to other information in your VRS record and to your Member Benefit Profile (MBP). From the top tabs, you can navigate to the Benefit Estimator, Retirement Planner and your Personal Profile.

Security and Privacy

VRS is committed to protecting the security and privacy of your information. Before you are allowed access to your information, your identity is authenticated through the online account creation process. You set up your own username and password, which you use each time you log into myVRS.

VRS does not sell your information to anyone. Information is shared only with your employer and third-party administrators authorized to help coordinate benefits and services for VRS members, retirees and beneficiaries. For security tips and more information, select myVRS Access from www.varetire.org.

Assistance with myVRS

- Select myVRS Help from the bottom of any screen for general information.
- While you are logged in, select Explain this Page from the top right for help with information on a particular screen.
- If you get locked out, call VRS toll free at 1-888-VARETIR (1-888-827-3847).
- For additional questions, call VRS or e-mail myvrs@varetire.org. **Important e-mail notice:** Do not send confidential or personal information, such as your Social Security number, by e-mail even when you are logged into your account. VRS will send only non-confidential replies.



What to do if I...

See...

Want to apply for disability retirement?

The Application for Disability Retirement (VRS-6) and other required disability retirement forms are provided at the back of this handbook. You also can obtain the forms from www.varetire.org.

Chapter 3-Applying for Disability Retirement

Chapter 7-Application Instructions and Required Forms

Need assistance with completing my disability retirement application?

If you need help applying for disability retirement, your human resource office, a family member or an individual authorized to act on your behalf, such as an agent named under a power of attorney or a legal guardian, may be able to assist you. For more information, call VRS toll free at 1-888-VARETIR (1-888-827-3847).

Chapter 1-Introduction to VRS Disability Retirement

Chapter 3-Applying for Disability Retirement

Have a pre-existing condition?

If you are applying for a disability you had before becoming employed in a VRS-covered position, your disability must significantly worsen for you to be considered for disability retirement.

Chapter 1-Introduction to VRS Disability Retirement

Suffer a work-related illness or injury?

If you wish to be considered for work-related disability retirement under VRS, your condition must be considered compensable under the Virginia Workers' Compensation Act, and you must submit this documentation with your application.

Chapter 2-Calculating the Disability Retirement Benefit

Chapter 3-Applying for Disability Retirement

Can't get my doctor to submit my medical information?

Your disability retirement application cannot be reviewed until VRS receives your medical information. If your doctor does not submit this information, you can request a copy of your medical records to include with your application. You will be responsible for any costs associated with collecting this information from your doctor.

Chapter 1-Introduction to VRS Disability Retirement

Chapter 3-Applying for Disability Retirement

Have to have treatment or surgery before my prognosis is known?

There must be a prognosis before your application for disability retirement can be reviewed. If your condition prevents you from performing your job duties after treatment or surgery, you can apply for disability retirement.

Chapter 1-Introduction to VRS Disability Retirement

Am eligible for the hazardous duty supplement?

You are not eligible to receive a hazardous duty supplement if you retire on disability. Compare a disability retirement estimate with your service retirement estimate including the supplement to see which option which will best meet your retirement needs. Your human resource office can assist you. If you are in Plan 1, you also can create retirement benefit estimates through *myVRS*. To log in or create a secure online account, select *myVRS* Access from www.varetire.org.

Chapter 1-Introduction to VRS Disability Retirement

Chapter 3-Applying for Disability Retirement

Am on leave and reach the end of my leave while my disability retirement application is still pending?

Group life insurance and other benefits will continue for 31 days from the last day of your leave period. If your disability retirement application is approved, you will be eligible for the monthly benefit and other disability retirement benefits.

Chapter 4-Receiving Disability Retirement and Deferred Compensation Plan Payments

Chapter 5-Insurance in Retirement

See...

Am denied for disability retirement?

You will receive a letter in the mail informing you of the decision regarding your disability retirement application. If it is denied, the letter will explain the appeal process.

Chapter 3-Applying for Disability Retirement

Recover and can return to work?

If you return to covered employment with a VRS-participating employer, your VRS disability retirement benefits will end and you will become an active member. If you return to employment with any employer that requires the same or similar duties you performed before retiring on disability, your VRS disability retirement benefits will end.

Chapter 4-Receiving Disability Retirement and Deferred Compensation Plan Payments

Change my marital status; have or adopt a child?

You can change your beneficiary at any time while you are an active member or a retiree. Complete the Designation of Beneficiary (VRS-2). If you participate in the Commonwealth's 457 Plan, complete the Beneficiary Designation 457(b)/401(a) Plan form. Both forms are available at www.varetire.org.

Chapter 5-Insurance in Retirement

If you cannot remember your beneficiary designation, submit a new VRS-2 or write to Minnesota Life, the third-party administrator for the Group Life Insurance Program, at P.O. Box 1193, Richmond, VA 23218-1193. Neither Minnesota Life nor VRS can provide this information over the phone.

Need to arrange my affairs?

If you are retiring on disability, particularly if you have a major catastrophic or terminal condition, it is important to ensure your affairs are in order. This includes naming an individual as your agent under a power of attorney to take actions on your behalf and in accordance with your wishes if you are no longer able to do so.

Chapter 1-Introduction to VRS Disability Retirement

Chapter 3-Applying for Disability Retirement

Chapter 5-Insurance in Retirement

Also ensure your beneficiary designations for your member contribution account and life insurance, if applicable, are up to date as well as your designations for your 457 Deferred Compensation Plan account balance if you participate in the plan. Finally, consider whether you want to continue a lifetime monthly benefit to a survivor upon your death after you retire. You can elect the Survivor Option when you apply for disability retirement.

Losing a Loved One: Guide for Families helps your beneficiary or survivor know what to do regarding benefit claims. The publication is available at www.varetire.org.

Have a question about my benefits? This handbook describes the provisions of VRS disability retirement for eligible members covered under Plan 1 and Plan 2. If you have additional questions about disability retirement, contact your human resource office or VRS toll free at 1-888-VARETIR (1-888-827-3847). For more information about Plan 1 and Plan 2, visit the VRS Web site at www.varetire.org.



2 Calculating the Disability Retirement Benefit

Non-Work Related Disability Retirement Benefit • Work-Related Disability Retirement Benefit • Adjustment for Primary Social Security Benefits • Benefit Payout Options

Non-Work Related Disability Retirement Benefit

What is Average Final Compensation? –

Average final compensation is one of the factors used to calculate the disability retirement benefit under the VRS formula amount as well as the service retirement benefit. **If you are in Plan 1**, your average final compensation is the average of your 36 consecutive months of highest compensation as a covered employee. **If you are in Plan 2**, your average final compensation is the average of your 60 consecutive months of highest compensation as a covered employee.

For more information about the provisions of your plan, review the current *Handbook for Members* for Plan 1 or Plan 2 available at www.varetire.org or contact your human resource office. See also “Service Retirement at a Glance” in Chapter 3-Applying for Disability Retirement.

If you are vested (you have at least five years of service credit) and have a non-work related disability, the amount of the disability retirement benefit will be the VRS formula amount or the guaranteed benefit, as described below, whichever is higher. If you are not vested, you will be eligible for the minimum guaranteed benefit only.

VRS Formula Amount

- If you are under age 60, the benefit will be equal to 1.7 percent of your average final compensation multiplied by (a) twice the amount of your total service credit or (b) your actual service credit plus the number of years remaining between your age at disability retirement and age 60, whichever is less.
- If you are age 60 or older, the benefit will be equal to 1.7 percent of your average final compensation multiplied by your total service credit.

Minimum Guaranteed Benefit

- If you qualify for primary Social Security benefits, the minimum guaranteed benefit will be equal to 33 $\frac{1}{3}$ percent of your average final compensation. You will receive the minimum guaranteed benefit or the full VRS formula amount, whichever is higher.
- If you do not qualify for primary Social Security benefits, the minimum guaranteed benefit will be equal to 50 percent of your average final compensation. You will receive the minimum guaranteed benefit or the full VRS formula amount, whichever is higher.

For more information, see “Adjustment for Primary Social Security Benefits” in this chapter.

Work-Related Disability Retirement Benefit

If you suffer an occupational illness or injury on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act, you may be eligible to retire on work-related disability. VRS does not determine whether your disability is work-related; you must file a claim under the act. If you apply for work-related disability retirement, you must include a copy of the letter from the Virginia Workers' Compensation Commission approving your claim or a copy of a workers' compensation award letter as well as an accident report, if applicable.

Work-Related Disability Benefit Calculation

If you retire on work-related disability, you will receive a refund of your member contribution account balance in addition to a monthly benefit. The monthly benefit is calculated first based on your eligibility for primary Social Security benefits (see "Adjustment for Primary Social Security Benefits" on the next page):

- If you qualify for primary Social Security benefits, the work-related guaranteed benefit will be equal to 50 percent of your average final compensation. You will receive the guaranteed benefit or the full VRS formula amount described in "Non-Work Related Disability Retirement Benefit," whichever is higher.
- If you do not qualify for primary Social Security benefits, the guaranteed benefit will be equal to 66⅔ percent of your average final compensation. You will receive the guaranteed benefit or the full VRS formula amount, whichever is higher.

The benefit amount is then adjusted by any workers' compensation benefits you receive:

- If your workers' compensation benefit is equal to or greater than your VRS disability retirement benefit, you will not receive the VRS benefit unless your workers' compensation benefit is reduced or ends.
- If your workers' compensation benefit is less than your VRS disability retirement benefit, VRS will pay the difference between the two benefits to bring you to your VRS benefit amount.
- If you receive a lump-sum workers' compensation settlement, VRS will determine the monthly value of the settlement and then adjust your VRS benefit accordingly.

Applying for Workers' Compensation –

Your human resource office will assist you with your workers' compensation claim. For more information, visit the Virginia Workers' Compensation Commission Web site at www.vwc.state.va.us.

Workers' compensation benefits for state employees are administered by the Department of Human Resource Management (DHRM). For more information, contact your human resource office or visit www.dhrm.virginia.gov. Workers' compensation benefits for employees of school divisions and political subdivisions are administered by the employer. For more information, contact your human resource office.

Important note if you retire on work-related disability: If you do not comply with the provisions of the Virginia Workers' Compensation Act and your workers' compensation benefits end or if you are approved to work with job modifications, your VRS disability retirement benefit will continue to be offset by the workers' compensation amount. If you are notified of a change or end to your workers' compensation benefits, send a copy of the notification letter to VRS at P.O. Box 2500, Richmond, VA 23218-2500 as soon as possible.

Taxes and the Work-Related Disability Retirement Benefit

Refunds of pre-tax member contributions and interest are subject to income taxes. The Internal Revenue Service (IRS) also may impose an additional 10 percent tax penalty for early withdrawal of member contributions received before age 59½; there are exceptions to this rule. To defer taxes, the refund can be rolled over to an Individual Retirement Account (IRA) or another qualified plan that accepts rollovers. For more information, read the IRS 402(f) Special Tax Notice available at www.varetire.org.

If you retire on work-related disability with the guaranteed benefit, your benefit will not be subject to federal or state income taxes. The work-related disability benefit based on the VRS formula amount is subject to income taxes. For more information, contact a tax advisor or the Internal Revenue Service (IRS) toll free at 1-800-829-1040 or www.irs.gov. See also Chapter 4-Receiving Disability Retirement and Deferred Compensation Plan Payments.

Adjustment for Primary Social Security Benefits

The amount of the VRS disability retirement benefit is adjusted by any primary Social Security benefits you are eligible to receive. A primary Social Security benefit is a full (normal) Social Security retirement benefit or a Social Security Disability Insurance (SSDI) benefit. If you are not eligible for full Social Security when you retire on VRS disability, even if you qualify for an early Social Security retirement benefit, you must apply for benefits under SSDI. For a Social Security age chart, see Chapter 4-Receiving Disability Retirement and Deferred Compensation Plan Payments.

If you are eligible for a full Social Security benefit:

- For non-work related disability, VRS will pay 33⅓ percent of your average final compensation or the full VRS formula amount, whichever is higher.
- For work-related disability, VRS will pay 50 percent of your average final compensation or the full VRS formula amount, whichever is higher.

If you are eligible for SSDI benefits:

- For non-work related disability, you will receive 50 percent of your average final compensation or the full VRS formula amount, whichever is higher, until the effective date of your eligibility for SSDI benefits. For work-related disability, the amount will be $66\frac{2}{3}$ percent of your average final compensation or the full VRS formula amount, whichever is higher.
- Effective with your eligibility for SSDI benefits, VRS will adjust your benefit to $33\frac{1}{3}$ percent of your average final compensation for non-work related disability or 50 percent of your average final compensation for work-related disability. You will receive this amount or the full VRS formula amount, whichever is higher. If applicable, this adjustment will be retroactive to your effective SSDI eligibility date and reflected in your VRS benefit.

If you are not eligible for a full Social Security benefit *and* your SSDI claim is denied, upon receipt of a copy of your SSDI denial letter or your letter appealing the denial:

- For non-work related disability, VRS will pay 50 percent of your average final compensation or the full VRS formula amount, whichever is higher.
- For work-related disability, VRS will pay $66\frac{2}{3}$ percent of your average final compensation or the full VRS formula amount, whichever is higher.

Benefit Payout Options

If you apply for disability retirement, you will choose how you want to receive your benefit. The payout options are the Basic Benefit and Survivor Option. **The payout option you elect is irrevocable.** That means you cannot change it after you retire, with the exception of the Survivor Option under some conditions.

Note: The Partial Lump-Sum Option Payment (PLOP) and the Advance Pension Option are not available to members who retire on disability.

Basic Benefit

The Basic Benefit is based on your average final compensation at retirement and whether you are retiring on non-work related or work-related disability. The benefit amount is adjusted by any primary Social Security benefits or workers' compensation benefits you are eligible to receive, as described in this chapter. The Basic Benefit does not provide a continuation of a benefit to a survivor upon your death. However, your beneficiary may be eligible for a lump-sum payment of any funds remaining in your member contribution account.



Coordinating Your Applications for SSDI and VRS Disability Retirement –

Be sure to include a copy of the Receipt of Application, decision letter or online application confirmation you receive from the Social Security Administration with your VRS disability retirement application. If you do not provide this information and your VRS disability retirement application is approved, VRS will be required to pay $33\frac{1}{3}$ percent of your average final compensation or the full VRS formula amount as described in this chapter, whichever is less. *Note:* If you apply for SSDI before you leave your position, your SSDI application may be denied depending on your income. A denial of SSDI benefits also will result in your receiving the lesser VRS disability retirement amount.

Survivor Option

With this option, you elect to receive a lower monthly benefit during your lifetime so that your survivor can receive a monthly lifetime benefit after your death. If you elect this option, you will choose a whole percentage of your benefit, between 10 percent and 100 percent, to go to your survivor. Your benefit amount will be based on this percentage, your age and the age of your survivor at your disability retirement date.

You can name any living person as your survivor; you also can name more than one survivor. The Internal Revenue Service (IRS) may limit the amount of your benefit that can go to a non-spouse survivor. For additional information, including a chart on maximum survivor option percentages, contact the IRS toll free at 1-800-829-1040 or visit www.irs.gov.

Changing the Survivor Option. You can name a new survivor or revert to the Basic Benefit if:

- Your survivor dies;
- Your survivor is your spouse and you divorce with fewer than 20 years of marriage;
- Your survivor is your spouse, you divorce after 20 or more years of marriage and your spouse dies, remarries or consents in writing to a change in benefit; or
- You provide VRS written consent from your survivor giving up claim to a benefit along with proof of your survivor's good health.

Note: If you are divorced and VRS has an Approved Domestic Relations Order (ADRO) on file, your benefit must be paid as directed by the ADRO. For more information about attachments to retirement benefits, see Chapter 4- Receiving Disability Retirement and Deferred Compensation Plan Payments.

Changing Your Survivor –

You can change your survivor only once. If you elect the Survivor Option and need to change your survivor after you retire, call VRS toll free at 1-888-VARETIR (1-888-827-3847) for assistance.



3 Applying for Disability Retirement

Before You Apply • What Your Application Must Include •
If Your Disability Retirement Application is Denied • If You
are Eligible for Service Retirement

Before You Apply

When to apply. You can apply for disability retirement from the first day of covered employment or within 90 days of your last day of employment. If you are on leave without pay, you have up to 24 consecutive months on leave without pay to apply for disability retirement; after 24 months, you are no longer eligible to apply. If you are on active duty military leave, you can apply at any time while on military leave.

Effective date of disability retirement. The effective date of disability retirement is the first of the month. To begin receiving your benefit, you must have a bona fide break in service from all covered and non-covered employment of at least one full calendar month from this date. Your benefit will begin on the first of the month following your effective date of disability retirement. *Example:* If you retire on disability effective July 1, you will receive your first benefit payment on August 1 for the month of July.

Spend time on your application. Review the information in this chapter and the disability retirement forms carefully, and ensure you have completed and attached all required information. Insufficient or missing information will delay the processing of your application and may even lead to your application being denied. For more information, see “Medical Review” in Chapter 1-Introduction to VRS Disability Retirement.

Do you need assistance with your application? If you need help applying for disability retirement, your human resource office, a family member or an individual authorized to act on your behalf, such as an agent named under a power of attorney or a legal guardian, may be able to assist you. For more information, call VRS toll free at 1-888-VARETIR (1-888-827-3847).

VRS Power of Attorney –

You can name an individual to take actions on your behalf regarding VRS matters by submitting the VRS Power of Attorney (VRS-901). The form is available at www.varetire.org. For more information, see “Do You Have a Power of Attorney?” in Chapter 1-Introduction to VRS Disability Retirement.

What Your Application Must Include

The following forms are included in the back of this handbook. These and other forms also are available at www.varetire.org. Disability retirement forms on the Web site are fillable; select the fillable version, complete it online and then print and sign it before submitting to VRS.

Application for Disability Retirement (VRS-6). On the VRS-6, you provide basic information, including the benefit payout option you wish to elect. You complete Parts A through D and must include acceptable legible evidence of your date of birth, such as a birth certificate. If you are married or separated, your spouse must complete the spouse certification section and sign on or after the date you sign the application. If you are electing the Survivor Option, you also must include acceptable legible evidence of your survivor's date of birth.

After you complete your sections, submit your application to your employer to complete Part E-Employer Certification. Your employer must include a copy of your job description. Your application will not be processed until your employer completes and signs this section.

Explanation of Disability (VRS-6A). The VRS-6A allows you to provide additional information in support of your application and is required by the VRS Medical Board. The information on this form and supporting documentation include:

- Job duties and other outside activities you no longer can perform because of your disability
- Whether you have been hospitalized or treated at a clinic for your condition
- Contact information for all doctors you are seeing for your disability
- If you are not eligible for a full Social Security benefit, documentation that you have applied for Social Security Disability Insurance (SSDI) benefits, such as a copy of the Receipt of Application, decision letter or online confirmation
- If you are applying for work-related disability retirement, copy of the letter from the Virginia Workers' Compensation Commission approving your disability as compensable under the Virginia Workers' Compensation Act or copy of your workers' compensation award letter as well as an accident report, if applicable.

Physician's Report (VRS- 6B). Each doctor you list on the VRS-6A must complete this form and attach all relevant objective medical evidence. It is your doctor's responsibility to fully document and supply objective medical evidence related to your condition so that the VRS Medical Board has a clear understanding of

how your condition affects your performance of your job duties. A letter from your doctor is an opinion. Results of an examination, test results or x-rays are examples of objective medical evidence. If VRS does not receive this information in a timely manner, your application could be denied. If your doctor does not provide the required medical information, you can request a copy of your medical records and submit the information to VRS. You will be responsible for any costs associated with collecting this information from your doctor.

Employer Information for Disability Application (VRS-6D). In addition to your job description, your employer must submit this form to VRS providing additional job information regarding your required duties at the time of your disability. Your employer must explain any physical requirements such as walking, lifting, carrying or other job requirements that you cannot perform because of your disability. If your duties have been modified in any way, your employer must include this information as well.

Request for Income Tax Withholding (VRS-15). Submit this form if you are applying for non-work related disability retirement. If you are applying for work-related disability retirement, you will be asked to submit this form if you will be receiving the VRS formula amount. This form is not required if you will be receiving the work-related guaranteed benefit; as with workers' compensation benefits, this benefit is tax exempt.

Authorization for Direct Deposit of Monthly Benefit (VRS-57). The VRS-57 authorizes VRS to deposit your monthly benefit electronically to the financial institution you designate on the form. Tape a voided check to this form before including it with your application.

Other forms. The following forms are available at www.varetire.org:

- Designation of Beneficiary (VRS-2)
- Request for Estimate of Disability Retirement Benefits (VRS-6C) (optional). If you are in Plan 1, you or your employer can create a disability retirement estimate through *myVRS* instead of submitting this form.
- If you are a state employee, State Health Benefits Enrollment Form for Retirees, Survivors and VSDP/LTD Participants. You must submit this form with your disability retirement application or within 31 days of your retirement date, whether you are electing or waiving coverage. The form is available at www.varetire.org. Note that if you waive coverage, you will not be able to enroll in the program at a later date. For more information about the program, visit the Department of Human Resource Management Web site at www.dhrm.virginia.gov. See also Chapter 5-Insurance in Retirement.



- If you are an employee of a school division or a political subdivision, contact your human resource office about retiree health insurance your employer may offer. Some employers have arranged with VRS to deduct retiree health insurance premiums from the monthly benefit.
- Request for Health Insurance Credit (VRS-45) if VRS will not be deducting retiree health insurance premiums from your monthly benefit. If VRS will be deducting premiums, you do not need to apply for it; VRS will apply the credit automatically to your benefit payment. For more information, see Chapter 5-Insurance in Retirement.

Submitting Your Application

You or your employer must submit the original application and all required documents to VRS. In the case of a life-threatening condition, VRS will accept a fax of the application from your employer, a family member or an individual authorized to act on your behalf, provided the original is mailed to VRS.

You will receive a letter from VRS at your mailing address approving or denying your disability retirement application. If your application is denied, you can appeal the decision, and the letter will explain the appeal process.

Disability Reexamination

If you retire on disability, you will be required to provide updated medical information until your normal retirement age under your plan (see "Service Retirement at a Glance" in this chapter). You also may be required to have annual follow-up examinations until you reach your normal retirement age. If you refuse to provide updated information or be examined, your benefits will stop until you comply. If you refuse to comply for six months following a request for reexamination or if VRS determines you are no longer disabled, your benefits will end.

If Your Disability Retirement Application is Denied

If your application is denied, you can appeal the decision, and the letter will explain the appeal process. Generally, an appeal will involve the following steps:

1. You can request another review of your application and submit any requested or additional medical information.
2. If your application is denied again, your case will be referred to an independent fact finder. An independent fact finder is an attorney in private practice with experience in reviewing disability cases. This individual does not represent you or VRS. You can hire your own attorney if you wish.

The independent fact finder will arrange an informal proceeding at a date agreeable to you at a location in your area. The purpose of the proceeding is to consider all current and any additional medical evidence you wish to provide. A court reporter will be present to record the proceeding. Your employer is allowed to attend; if you have an attorney, he or she will be invited. You also can invite family members, co-workers, your doctor or other witnesses. Once the proceeding ends, you cannot provide any additional medical evidence.

3. Any medical evidence you provide at the proceeding will be sent to the Medical Board. The Medical Board will review the additional information and recommend to VRS that your application be approved or denied; the independent fact finder also will send his or her recommendation to VRS. The Medical Board may request additional medical evidence or require you to undergo a functional capacity evaluation or an exam by an independent medical examiner before submitting its recommendation to VRS.
4. Based on the recommendation of the independent fact finder and the Medical Board, VRS will make a final case decision to approve or deny your application. If it is denied, you can appeal the final case decision to the appropriate circuit court. The letter you receive from VRS on the final case decision will explain the steps involved in this process.

If You are Eligible for Service Retirement

Service Retirement

Provisions – See “Service Retirement at a Glance” on the next page for an overview of the provisions for retirement under your plan. For additional details about Plan 1 and Plan 2, visit www.varetire.org. For more information about applying for service retirement, see the *Getting Ready to Retire Guide*, also available on the VRS Web site.

If you are eligible for service (regular) retirement when you apply for disability retirement, it may be to your advantage to apply for both:

- If you apply for non-work related disability retirement and your application is denied, you can begin receiving a service retirement benefit, even if you decide to appeal the denial.
- For work-related disability retirement, VRS cannot process your service retirement application while your disability retirement application is pending. However, if your disability retirement application is denied, the retirement date and benefit payout option you elect on your service retirement application will be honored.

Applying for service retirement. Complete the Application for Service Retirement (VRS-5), electing the Basic Benefit or Survivor Option, and submit the application with your disability retirement application. Your employer will certify both applications. If you wish to retire under the Partial Lump-Sum Option Payment (PLOP) or Advance Pension Option in the event your disability application is denied, include a second VRS-5 electing one of these payout options; your employer does not have to certify this application.

Is Disability Retirement Your Best Option?

Even if you have a disability that is likely to be permanent, you do not have to retire on disability. If you qualify for service retirement, you may find this option would better meet your retirement needs, particularly if you qualify for the hazardous duty supplement, which is not payable to members who retire on disability.

Before submitting a disability retirement application, compare your estimated disability retirement benefit with your estimated service retirement benefit. Your human resource office can assist you with benefit estimates. If you are in Plan 1, you also can create benefit estimates through *myVRS*. To log in or create a secure online account, select *myVRS* Access from www.varetire.org.

Service Retirement at a Glance

PROVISIONS

PLAN 1

Hired Before July 1, 2010

PLAN 2

Hired On or After July 1, 2010

Normal Retirement Age

VRS: Age 65

Normal Social Security retirement age

SPORS, VaLORS and political subdivision
hazardous duty employees: Age 60

Same as Plan 1

JRS: Age 65

Same as Plan 1

Earliest Unreduced Retirement Eligibility

VRS: Age 65 with at least five years of service credit or age 50 with at least 30 years of service credit

Normal Social Security retirement age with at least five years of service credit or when age and service equal 90. *Example:* Age 60 with 30 years of service credit.

SPORS, VaLORS and political subdivision
hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit

Same as Plan 1

JRS: Age 65 with at least five years of service credit or age 50 with at least 30 years of service credit

Same as Plan 1

Earliest Reduced Retirement Eligibility

VRS: Age 55 with at least five years of service credit or age 50 with at least 10 years of service credit

Age 60 with at least five years of service credit

SPORS, VaLORS and political subdivision
hazardous duty employees: Age 50 with at least five years of service credit

Same as Plan 1

JRS: Age 55 with at least five years of service credit

Same as Plan 1

Retirement Multiplier

VRS and JRS: 1.7 percent

Same as Plan 1

SPORS, sheriffs and regional jail superintendents:
1.85 percent

VaLORS: 1.7 percent or 2.0 percent

Political subdivision hazardous duty employees:
1.7 percent or 1.85 percent

4 Receiving Disability Retirement and Deferred Compensation Plan Payments

Direct Deposit • Cost-of-Living Adjustments (COLAs) • Social Security • Taxes • If You Divorce • *myVRS*: At Your Service When You Retire • Deferred Compensation Plan Options • Working After Disability Retirement

Direct Deposit

Your disability retirement benefit will be deposited to the financial institution account you designate on the Authorization for Direct Deposit of Monthly Benefit (VRS-57). Benefit payments are deposited on the first of the month for the preceding month's benefit. If the first falls on a weekend or holiday, the payment is deposited on the last business day of the preceding month.

If the net amount of your benefit changes, you will receive an earnings statement from VRS reflecting the new amount. If you change your financial institution, submit a VRS-57 with the new account information. Do not close your old account until your direct deposit begins in your new account. You can verify your new deposit information through *myVRS* (see “*myVRS*: At Your Service When You Retire” in this chapter).

Cost-of-Living Adjustments (COLAs)

VRS cost-of-living adjustments (COLAs) help your retirement benefit keep pace with inflation. Your first COLA goes into effect on July 1 of the second calendar year after you retire and is effective each July 1 thereafter. *Example:* If you retire on November 1, 2013, your first COLA will be effective July 1, 2015 and appear in your August 1 benefit payment.

The COLA is based on the amount of increase or decrease in inflation. It is determined by calculating the annual average Consumer Price Index for all Urban Consumers (CPI-U), published by the U.S. Bureau of Labor Statistics, for the two years prior to the effective date of the COLA. **Under Plan 1**, the amount matches the first 3 percent increase in the CPI-U and half the remaining increase, up to a maximum COLA of 5 percent. **Under Plan 2**, the amount matches the first 2 percent increase in the CPI-U and half the remaining increase, up to a maximum COLA of 6 percent. During years of no inflation or deflation, the COLA will be 0 percent.

Current COLA – For the current COLA and more information on how the COLA is calculated, visit www.varetire.org (select the Retiree homepage).

What is the Consumer Price Index-Urban (CPI-U)?

The Bureau of Labor Statistics defines the CPI-U as a measure of the average change over time in the prices paid by urban consumers for goods and services such as food, housing, apparel, transportation, medical care, recreation, education, communication and other goods and services.

Social Security

You will be eligible for a full Social Security retirement benefit when you reach your normal Social Security retirement age (see chart at right). If you are not eligible for a full Social Security benefit when you apply for disability retirement, you must apply for Social Security Disability Insurance (SSDI) benefits. For more information, see Chapter 2-Calculating the Disability Retirement Benefit. For more information about Social Security, call the Social Security Administration toll free at 1-800-772-1213, visit www.ssa.gov or contact your local Social Security Administration office.



Taxes

If you retire on non-work related disability or on work-related disability with the VRS formula amount, your benefit will be subject to federal income taxes and, if you live in Virginia, state income taxes. Any after-tax member contributions in your benefit payment will not be taxed again. If you do not file a Request for Income Tax Withholding (VRS-15) when you retire, VRS will withhold federal taxes as if you were married with three allowances and state taxes, if applicable, as if you had zero allowances. If you do not want VRS to withhold taxes from your benefit, notify VRS using the VRS-15. You may be responsible for paying estimated taxes or face tax penalties if your estimated tax payments are insufficient. If you retire on work-related disability with the guaranteed benefit, your benefit will not be subject to income taxes. For more information, contact the Internal Revenue Service (IRS) toll free at 1-800-829-1040 or visit www.irs.gov.

VRS does not deduct income taxes for other states. If you retire in Virginia and then move out of state, update your tax withholding through *myVRS* or submit a new VRS-15.

Social Security Retirement Ages for Full Benefits

Year of Birth	Normal Retirement Age
1937 or earlier	65 years
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943-54	66 years
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 or later	67 years

If You Retire as a 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 as well as your spouse and dependent children may be eligible for this exclusion. You must claim the premiums on your tax return. The 1099-R reflects total taxable income without any adjustment for this benefit. For more information, contact a tax advisor or the IRS toll free at 1-800-829-1040 or www.irs.gov.

1099-R Form

If you retire on non-work related disability or on work-related disability with the VRS formula amount, you will receive a 1099-R form from VRS each January for the previous calendar year's benefit payments and tax withholdings. You will file this form with your federal and state income tax returns. The 1099-R shows:

- Total amount of your VRS benefit for the previous year
- Taxable amount of your benefit
- Total amount of federal income taxes and, if applicable, state income taxes withheld from your benefit during the previous year
- Amount of your benefit that is not taxed, if any, as determined by the IRS
- Total health insurance premiums for the previous year, less any health insurance credit reimbursements you receive. The health insurance credit is a non-taxable benefit and will not be included in your 1099-R. For more information about the health insurance credit, see Chapter 5-Insurance in Retirement.

If you retire on work-related disability with the guaranteed benefit, you will not receive a 1099-R since this benefit is tax exempt. You will receive a letter from VRS providing information about your gross benefit payments, health insurance deductions and the health insurance credit, if applicable.

Imputed income. The value of group life insurance coverage over \$50,000 on the premiums paid by VRS is called imputed income. The Internal Revenue Service (IRS) considers this amount as income to you and subject to income taxes and FICA (Social Security and Medicare) taxes. If you are covered under the program when you retire and your coverage exceeds \$50,000, VRS will automatically withhold FICA taxes and send you a W-2 form each year showing the amount of FICA taxes withheld and the additional taxable income. As your life insurance coverage reduces, the amount of imputed income also will reduce. If your coverage reduces to less than \$50,000, these taxes will no longer be withheld. For more information about the life insurance coverage reduction, see Chapter 5-Insurance in Retirement.

If You Divorce

Approved Domestic Relations Order (ADRO)

In the event of a divorce, your disability retirement benefit may be regarded as 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 implements 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, provided the order is in compliance with the provisions of the *Code of Virginia*. Your attorney should provide VRS a draft ADRO before filing it with the court to ensure the language conforms to VRS' requirements. ADRO guidelines are available at www.varetire.org.

Other attachments. The *Code of Virginia* allows other attachments to your VRS benefit. Examples include IRS tax levies, debt to an employer, child support or other marital rights as stated in an ADRO or divorce decree.

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

myVRS: At Your Service When You Retire

After you retire on disability, you can create a secure *myVRS* online account. Your retiree account is based on information you provide when you apply for disability retirement and information your employer reports to VRS.



What You Can Do in *myVRS*

- View your income tax withholdings and manage your withholdings online.
- View your monthly disability retirement benefit payment amount and benefit payment history.
- See when your benefit payment is deposited and confirm your financial institution account information.
- View your cost-of-living adjustments (COLAs), retiree life insurance coverage amount, health insurance premium deductions and health insurance credit, if applicable.
- Review the information used to calculate your retirement benefit, including the benefit payout option you elected at retirement.
- Update your personal profile.
- Print income verification information and tax documents for income tax filing purposes.

Creating Your Secure Online Account

When you retire, you will receive a one-time authentication code from VRS in the mail. You will use this code to create your online account. Select *myVRS* Access from www.varetire.org and then Retirees-Register. Any time you want to log in, you will enter the username and password you set up to create your account.

Deferred Compensation Plan Options

If you participate in the Commonwealth of Virginia 457 Deferred Compensation Plan, you have the following options when you retire or leave employment:

Keep your money in your plan. Your account continues to be tax-deferred and you continue to manage your investments. You cannot contribute to the 457 Plan unless you return to salaried or wage employment with an employer that offers the plan. A required minimum distribution will begin if you have not arranged to receive payments from your plan by age 70½ or when you leave a position with an employer providing the plan, whichever is later.

Request a distribution (payment) from your plan. You may request a distribution in a lump sum, as a periodic payment or as a combination of these methods. You will be required to pay federal and state income taxes on distributions from the 457 and Cash Match Plans. The IRS also may impose a 10 percent tax penalty for early withdrawal of plan contributions if you receive a cash match payment before age 59½; there are exceptions to this rule. There is no penalty for early withdrawals from the 457 Plan.

Roll over money from your 457 Plan or cash match account. You may roll over some or all of the balance in your 457 or Cash Match Plan to an Individual Retirement Account (IRA) or another qualified plan that accepts rollovers. Check with the plan sponsor to determine if the plan accepts rollovers and whether any fees or penalties apply.

Contribute sick leave, annual leave or other payments to your 457 Plan. If you are eligible to be paid for unused sick leave or annual leave or to receive other compensation when you leave your position, you can defer taxes on this payment by contributing it to the 457 Plan. To elect this option, submit the 457 One-Time Deferral Form to your employer while you are still employed or no later than the month before you would otherwise receive the payment. The form is available at www.varetire.org (select the Defined Contribution Plans tab). Under IRS requirements, you cannot contribute cash severance payments to your 457 Plan.

Use your cash match plan to consolidate your retirement funds. You may roll over money from an IRA or another qualified plan to your cash match account.

If You Request a Distribution from Your Plan

– Distributions will begin following a bona fide break in service of at least one full calendar month from your retirement date. If you return to an employer that offers the Commonwealth's 457 Plan, your distributions will stop unless you are age 70½ or older.

More Information

– For more information about enrolling in the plan, contributions, distributions and plan resources, call toll free 1-VRS-DC-PLAN1 (1-877-327-5261) or visit www.varetire.org (select the Defined Contribution Plans tab).

Working After Disability Retirement

What is Non-Covered

Employment? – Non-covered employment is a position with a VRS-participating employer that does not provide eligibility for benefits. Examples include temporary, part-time hourly, substitute teaching, adjunct faculty and internship positions. Most non-covered positions are part-time wage positions. Some full-time positions may be considered non-covered if they are temporary and paid on an hourly basis.

Important Note if You Return to Covered

Employment – If you retire on disability and then return to covered employment, you will be required to retire under service (regular) retirement when you retire again. If you wish to retire on disability, you must reapply by submitting all required disability retirement forms and documents. Your application will be evaluated under the medical review process based on the duties of your new position.

If you take a position with any employer, including a VRS-participating employer, that requires the same or similar duties as those you performed before retiring on disability, your disability retirement benefits will end.

If you return to VRS-covered employment, your disability retirement benefits will end and you will become an active member. You will receive service credit for the period you were on disability retirement. To avoid overpayment of the retirement benefit, you and your employer must submit a Request for Termination of Monthly Benefit (VRS-7) to VRS immediately upon reemployment. The form is available at www.varetire.org.

Non-Covered Employment

In some cases, you can work in a non-covered position with a VRS-participating employer and continue to receive your disability retirement benefits. The position cannot require the same or similar duties as those you performed before you retired on disability.

If you accept a non-covered position with the employer from which you retired, you must have a bona fide break in service of at least one full calendar month from your retirement date over a period you normally would work to continue receiving your retirement benefits. Retirement is effective on the first of the month. The Commonwealth of Virginia, including all state agencies and public colleges and universities, is considered one employer. Public school divisions and political subdivisions are considered separate employers.

Your employer can make no verbal or written offer of reemployment before you retire. You and your employer must certify that no such pre-arrangement has been made on the Application for Disability Retirement (VRS-6). More information about working after retirement is available at www.varetire.org.

Before Accepting Employment

If you are considering employment after you retire on disability, contact VRS toll free at 1-888-VARETIR (1-888-827-3847) to determine whether the position would disqualify you from continuing to receive your disability retirement benefits. Also contact the Social Security Administration toll free at 1-800-772-1213 or visit www.ssa.gov for information on the effect of earnings during retirement on your eligibility for Social Security benefits.

5

Insurance in Retirement

Group Life Insurance • Retiree Health Insurance •
Health Insurance Credit

Group Life Insurance

Basic Group Life Insurance Coverage

If you are covered under the VRS Group Life Insurance Program, some basic group life insurance benefits will continue after you retire on disability. Benefits include:

- Death benefit equal to your compensation at retirement, rounded to the next highest thousand and then doubled. If you retire with 20 or more years of service credit, the death benefit will be based on your highest compensation as a covered employee, even if your salary at retirement is lower.
- Accelerated death benefit option. If you are diagnosed with a terminal condition and have fewer than 12 months to live, you can withdraw some or all of your life insurance proceeds to use for any purpose. Your beneficiary or survivor will receive any remaining amount upon your death.

The provisions for active members that allow for double the natural death benefit for accidental death and dismemberment end upon retirement.

Coverage reduction. Your basic group life insurance coverage will begin to reduce by 25 percent beginning on the January 1 following one calendar year from your 65th birthday. It will continue to reduce by 25 percent each January 1 until it reaches 25 percent of its original value. *Example:* If you turn age 65 on May 17, 2013, your first 25 percent reduction will occur on January 1, 2015.

Designating a Beneficiary

You can designate or change your beneficiary at any time while you are an active member or after you retire on disability. Your beneficiary is eligible for a payment of any life insurance benefits you may have as well as any funds remaining in your member contribution account upon your death. You can name a different beneficiary for each payment. You also can name more than one primary beneficiary as well as a contingent beneficiary or beneficiaries to receive payments

More Information – For more information about group life insurance coverage while you are an active member, review the current *Handbook for Members* for Plan 1 or Plan 2 available at www.varetire.org.

VRS has contracted with Minnesota Life as the third-party administrator for the VRS Group Life Insurance Program. For more information about your coverage as an active member or a retiree, call Minnesota Life toll free 1-800-441-2258.

in the event your primary beneficiary or beneficiaries are deceased upon your death. Submit a Designation of Beneficiary (VRS-2) to VRS. The form is available at www.varetire.org. Be sure to keep a copy for your records. You will not receive a copy or confirmation of receipt.

Beneficiary Designation for the Deferred Compensation Plan

The Designation of Beneficiary (VRS-2) applies only to beneficiary payments of your member contributions and interest and life insurance benefits. If you participate in the Commonwealth's 457 Plan and wish to designate or change your beneficiary for your plan account, complete the Beneficiary Designation 457(b)/401(a) form online at www.varetire.org (select the Defined Contribution Plans tab). For more information, call toll free 1-VRS-DC-PLAN1 (1-877-327-5261).

If you cannot remember your beneficiary designation, submit a new VRS-2 or write to Minnesota Life, the third-party administrator for the VRS Group Life Insurance Program, at P.O. Box 1193, Richmond, VA 23218-1193. Neither VRS nor Minnesota Life can provide this information over the phone.

If there is no valid beneficiary designation on file, or your primary beneficiary or beneficiaries are deceased at the time of your death and there is no contingent beneficiary or beneficiaries, VRS will pay benefits according to the following order of precedence, as required by law:

Order of Precedence

- First, to your spouse
- If no spouse, to your natural or legally adopted children or descendants of your deceased natural or legally adopted children
- If none of the above, to your parents equally or to the surviving parent
- If none of the above, to the duly appointed executor or administrator of your estate
- If none of the above, to your next of kin under the laws of the state where you resided at the time of your death

Note: The Designation of Beneficiary (VRS-2) allows you to elect the order of precedence instead of designating a beneficiary.

Optional Group Life Insurance

If you have optional group life insurance coverage, you may continue a portion of your coverage into retirement. You as well as your spouse and dependent children, if enrolled, must have been continuously covered during the 60 months preceding your disability retirement. Accidental death and dismemberment coverage ends upon retirement. Optional life insurance amounts will reduce by 25 percent based on your age, beginning with your normal retirement age under your plan; coverage ends at age 80. The maximum amount of optional group life insurance coverage in retirement is \$250,000.

You may elect to convert your coverage to an individual policy. If you convert your coverage, you will be billed for the premiums. Submit a Conversion of Group Life Insurance Enrollment (VRS-35E) to Minnesota Life. You must elect to continue or convert your coverage within 31 days of the last day of the month in which you leave covered employment. This option is not available after 31 days.

Additional Information about Your Coverage

Irrevocable assignment. You own your rights in your group life insurance coverage. That means you can designate a beneficiary or exercise the accelerated death benefit option of your policy. You may give these ownership rights to another living person or entity. However, **this is an irrevocable assignment**, meaning you cannot change it once it is made. Before making an irrevocable assignment, contact a legal advisor or Minnesota Life toll free at 1-800-441-2258 for assistance.

Loans prohibited. You may not borrow from or use your group life insurance coverage to secure a loan.

Imputed income taxes. Imputed income is the value of life insurance in excess of \$50,000, as determined by the Internal Revenue Service (IRS). When you retire, VRS will deduct FICA taxes and report taxable or imputed income for as long as your group life insurance coverage exceeds \$50,000. For more information about income taxes and imputed income, see Chapter 4-Receiving Disability Retirement and Deferred Compensation Plan Payments.

Child support liens. The Department of Social Services may file child support liens against proceeds payable under the Group Life Insurance Program. VRS is required to pay life insurance proceeds to the Department of Social Services to satisfy outstanding child support obligations at your death.

Retiree Health Insurance

State Employees

If you are eligible to retire on disability, you can enroll in the State Retiree Health Benefits Program. You also may enroll your spouse and/or dependent children. You can elect coverage when you apply for disability retirement or within 31 days of your retirement date by submitting the State Health Benefits Enrollment Form for Retirees, Survivors and VSDP/LTD Participants. The form is available at www.varetire.org. Note that if you waive coverage, you will not be able to enroll in the program at a later date.

In the Event of Your Death After You Retire –

Your beneficiary or survivor should call Minnesota Life toll free at 1-800-441-2258 as soon as possible. Minnesota Life can initiate all VRS benefit claims, including life insurance claims, and will provide information to VRS for processing any benefits due. For more information, see *Losing a Loved One: Guide for Families* available at www.varetire.org.

If you elect this coverage, VRS will deduct the health insurance premiums from your monthly benefit payment. If your benefit is not sufficient to cover the deduction, the health insurance carrier will bill you directly for the premiums. For more information about the program, visit the Department of Human Resource Management Web site at www.dbrm.virginia.gov.

Retiring from a School Division or a Political Subdivision?

– If you are an employee of a school division or a political subdivision, your employer may offer retiree health insurance coverage. Contact your human resource office for more information. Some employers have arranged with VRS to deduct the premiums from the monthly retirement benefit.

Enrollment options for your survivors. If you enroll in the State Retiree Health Benefits Program, you also can enroll your spouse and/or dependent children. If you elect the Survivor Option at retirement and your spouse and/or dependent children are not enrolled, they may enroll upon your death. If you elect another benefit payout option and your spouse and/or dependent children are enrolled at the time of your death, they may elect to continue their coverage.

Your survivors must submit a State Health Benefits Enrollment Form for Retirees, Survivors and VSDP/LTD Participants within 60 days of your death. This option is not available after 60 days.

Cancelling coverage. You can cancel your coverage at any time after you retire by submitting the State Health Benefits Enrollment Form for Retirees, Survivors and VSDP/LTD Participants or sending a written request to VRS. Cancelling your coverage also cancels coverage for your spouse and/or dependent children, if enrolled. Once you cancel coverage, you are not eligible to re-enroll in the program. However, you can be covered as a dependent of an active state employee or a state retiree who enrolls you in the program, or if you return to work and retire again as a state employee. In the latter case, you will have 31 days from your subsequent retirement date to elect coverage.

Medicare Benefits

Medicare is a federal government-sponsored health insurance program. You become eligible for Medicare when you reach age 65. Medicare includes coverage for hospital care (Part A) at no cost to you and medical care (Part B), for which you pay a monthly premium. You also may elect coverage under the prescription drug plan (Part D). You should apply for Medicare at least three months before your 65th birthday.

If retire on disability as a state employee and elect the State Retiree Health Benefits Program, you will be eligible for Advantage 65, the state's Medicare supplement plan, when you qualify for Medicare. The Advantage 65 plan includes Medicare Part D prescription drug coverage; there also is a Medical Only option that excludes prescription drug coverage.

Health Insurance Credit

If you retire on disability, you may be eligible for the health insurance credit. This is a tax-free benefit that assists with health insurance premiums you pay for single coverage, excluding any portion of the premiums covering a spouse or dependents. The health insurance credit is applied to your monthly benefit. If you do not receive a monthly benefit, VRS will reimburse you for the amount. The health insurance credit ends upon your death and cannot exceed the amount of your individual health insurance premiums for single coverage.

Health Insurance Credit Maximum Amounts for Disability Retirement

State employees other than state police officers. The maximum health insurance credit is \$120 per month or \$4 per year of total service credit per month, whichever is higher.

State police officers. For non-work related disability retirement, the maximum health insurance credit is \$120 per month or \$4 per year of total service credit per month, whichever is higher. If you retire on work-related disability, your employer will continue to pay the employer's portion of your health insurance premiums until you qualify for benefits under the Virginia Line of Duty Act. You must continue to pay your portion of the health insurance premiums. You are not eligible for the health insurance credit for these premiums. However, you may be eligible for the credit if you pay a premium under another qualified health plan. For more information about the Virginia Line of Duty Act, call the Department of Accounts at 804-225-3038 or visit www.doa.virginia.gov.

Teachers, administrators, managers and clerical employees of local school divisions. The maximum health insurance credit is either (a) \$4 multiplied by twice the amount of your service credit per month or (b) \$4 multiplied by the amount of service you would have earned had you remained an active employee until age 60 per month, whichever is less.

Political subdivision employees. If your employer participates in the health insurance credit program, you are eligible for a maximum credit of \$45 per month.



**Commonwealth of Virginia
(COV) Voluntary Group
Long Term Care Insurance
Program**

– While working, you and select family members between the ages of 18 and 79 can apply for the COV Voluntary Group Long Term Care Insurance Program, provided your employer offers the program. If you are not enrolled and retire on disability, you can apply as a retiree; select family members also will be eligible to apply. Your employer is not required to have elected the program. Medical underwriting (proof of good health) will be required of you and any family members who apply.

VRS has contracted with the Genworth Life Insurance Company as the insurer for the program. For more information, visit the Genworth Web site at www.genworth.com/cov or call toll free 1-866-859-6060.

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

The following plans are not eligible for the health insurance credit:

- Coverage for specific conditions or to treat a specific illness, such as cancer insurance
- Hospital indemnity policies that pay a daily amount for each day spent in the hospital
- Long-term care insurance
- Long-term disability insurance
- Life insurance

Applying for the Health Insurance Credit

If you are eligible for the health insurance credit and VRS will be deducting your health insurance premiums from your disability retirement benefit, you do not need to apply for it; VRS will apply the credit automatically to your benefit payment. For any premiums VRS will not be deducting, complete and send the Request for Health Insurance Credit (VRS-45) to VRS. The form is available at www.varetire.org.

Annual Health Insurance Credit Notice

You will receive an annual Health Insurance Credit Notice from VRS reminding you to verify and update your health insurance information, if necessary. This will ensure you are receiving the proper credit amount in a timely manner and are not at risk for overpayments. For any premiums VRS is not deducting, report a change or cancellation by submitting a Request for Health Insurance Credit (VRS-45) to VRS as soon as possible.

6

Frequently Used Terms

Active Member	You are an active member if you are working in a covered position with an employer that participates in the Virginia Retirement System (VRS).
Active Service	Active service is the number of years you work in a covered position. You earn one month of service credit for each month you are employed (“in service”).
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, your VRS benefit may be regarded as marital property in a property settlement.
Average Final Compensation	Under Plan 1, average final compensation is the average of your 36 consecutive months of highest compensation as a covered employee. Under Plan 2, average final compensation is the average of your 60 consecutive months of highest compensation as a covered employee. Average final compensation is one of the factors used to calculate your disability retirement benefit.
Basic Benefit – Disability Retirement	The Basic Benefit is calculated based on your average final compensation at retirement and whether you retire on non-work related or work-related disability. You can elect the Basic Benefit or the Survivor Option if you apply for disability retirement.
Beneficiary	Your named beneficiary is eligible for a payment of any funds remaining in your member contribution account and any life insurance benefits you may have upon your death. You may designate a beneficiary or beneficiaries on the Designation of Beneficiary (VRS-2).
Benefit Payout Option	When you apply for disability retirement, you elect how you want to receive your benefit. The options under disability retirement are the Basic Benefit and the Survivor Option. The option you elect is irrevocable. That means you cannot change it once you retire, with the exception of the Survivor Option under some conditions.
Bona Fide Break in Service	A bona fide break in service is a break of at least one full calendar month from your retirement date or your last day of covered employment over a period you normally would work. For retired teachers and faculty members, summer breaks and intersession periods do not count toward satisfying this break in service.

Child Support Liens	The Department of Social Services may file child support liens against proceeds payable under the VRS Group Life Insurance Program. VRS is required to pay life insurance proceeds to the Department of Social Services to satisfy outstanding child support obligations at your death.
Chronic Condition	A chronic condition exists over a long period of time and is not expected to improve. If you have a chronic condition that worsens to the point that you no longer can perform your job duties, you may be eligible for VRS disability retirement.
Cognitive Disability	A cognitive disability is a loss or deterioration in intellectual capacity. An example is Alzheimer's disease.
Compensation	Compensation is your salary reported to VRS by your employer. It does not include payments for overtime, temporary employment, extra duties or other additional payments.
Consumer Price Index-Urban	The cost-of-living adjustment (COLA) is based on the Consumer Price Index for all Urban Consumers (CPI-U) published by the U.S. Bureau of Labor Statistics. The Bureau of Labor Statistics defines the CPI-U as a measure of the average change over time in the prices paid by urban consumers for goods and services such as food, housing, apparel, transportation, medical care, recreation, education, communication and other goods and services.
Cost-of-Living Adjustment (COLA)	A cost-of-living adjustment (COLA) is an annual increase in your retirement benefit based on the Consumer Price Index for all Urban Consumers. COLAs are effective July 1 of the second calendar year after you retire. Under Plan 1, the maximum COLA is 5 percent. Under Plan 2, the maximum COLA is 6 percent. During years of no inflation or deflation, the COLA will be 0 percent.
Covered Employment	Covered employment is a full-time permanent, salaried position with an employer that participates in VRS. Some part-time permanent, salaried state positions also are covered under VRS.
Death-in-Service Benefit	If you die while you are an active member ("in service"), your beneficiary or your spouse, natural or legally adopted minor child or parent may be eligible for a death-in-service benefit in addition to any life insurance benefits you may have.
Deferred Member	You are considered a deferred member if you have left covered employment but have not withdrawn your funds and have service credit in VRS or are maintaining an account balance in a Virginia optional retirement plan. You are not eligible to retire on disability if you defer retirement.
Direct Deposit	When you apply for retirement, you must include the Authorization for Direct Deposit of Monthly Benefit (VRS-57) to designate the financial institution account where VRS will deposit your monthly retirement benefit payment. You also will use the VRS-57 to notify VRS if your account changes.
Employer Contribution	Your employer makes a separate contribution to VRS toward funding current and future benefits for its covered employees. Members are not eligible for a refund of the separate employer contribution.

Form 1099-R	If you retire on non-work related disability or work-related disability under the VRS formula amount, you will receive a 1099-R from VRS each January for the previous year's benefit payments and tax withholding. You will file this form with your income tax returns. You will not receive a 1099-R if you retire on work-related disability with the guaranteed benefit; this benefit is tax exempt.
Full-Time Employment	Full-time employment is typically 40 hours a week. Thirty-two hours a week is considered the minimum number for full-time employment. Employers, not VRS, classify positions as full time or part time and define the hours applicable to each classification.
Imputed Income	Imputed income is the value of life insurance in excess of \$50,000, as determined by the Internal Revenue Service (IRS). It is subject to FICA and income taxes and reflected in the W-2 you receive from your employer. If you retire on disability, VRS will deduct FICA taxes and report taxable or imputed income for as long as your group life insurance exceeds \$50,000.
Irrevocable Assignment	Irrevocable assignment means assigning your ownership rights in your life insurance coverage to another person. You cannot change this assignment once it is made.
Member Benefit Profile (MBP)	The Member Benefit Profile (MBP) is your annual online benefits statement. It is based on information your employer reports to VRS through June 30 of each year. You can view your MBP through your <i>myVRS</i> member online account.
Member Contributions	If you are in Plan 1, you or your employer (on your behalf) contributes 5 percent of your compensation each month to your member contribution account. If you are in Plan 2, you may pay some or all of the 5 percent member contribution.
Membership Date	The effective date of membership in VRS, the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS) and the Judicial Retirement System (JRS) is the first of the month.
Non-Covered Employment	Non-covered employment is a position with a VRS-participating employer that does not provide eligibility for benefits. Examples include temporary, part-time hourly, substitute teaching, adjunct faculty and internship positions. Most non-covered positions are part-time wage positions. Some full-time positions may be considered non-covered if they are temporary and paid on an hourly basis.
Order of Precedence	If there is no valid beneficiary designation on file or your beneficiary is deceased at the time of your death, VRS is required by law to pay benefits according to an order of precedence. You designate a beneficiary on the Designation of Beneficiary (VRS-2). You can elect the order of precedence on the VRS-2 instead of naming a beneficiary.
Part-Time Employment	Part-time employment is typically less than 80 percent of full-time employment. Employers, not VRS, classify positions as full time or part time and define the hours applicable to each classification.

Plan 1	You are covered under the provisions of Plan 1 if your membership date is before July 1, 2010. You may be an active or deferred member. You are an active member if you are currently working in a covered position. You are a deferred member if you are not currently working in a covered position but have not withdrawn your funds and have service credit in VRS or have been maintaining an account balance in a Virginia optional retirement plan since before July 1, 2010. If you are a deferred member and return to covered employment, you will be rehired under Plan 1.
Plan 2	You are covered under the provisions of Plan 2 if your membership date is July 1, 2010 or later. If you were previously employed in a covered position before July 1, 2010 and withdrew your funds, you will be rehired under Plan 2 if you return to covered employment with no service credit in VRS or no account balance in a Virginia optional retirement plan.
Plan Provisions	Plan provisions are the requirements that govern the plans or programs under which you are covered based on your current position of employment.
Power of Attorney	Under a power of attorney, you can name an individual as your agent to take actions on your behalf and in accordance with your wishes if you no longer can take care of your own affairs. To name an agent for VRS matters, submit a VRS Durable Power of Attorney (VRS-901).
Prior Service Credit	Eligible prior service includes public service, active duty military service, certain types of leave and VRS refunded service. If you have prior service, you may be eligible to purchase this service as credit in your plan. Prior service credit counts toward vesting, eligibility for retirement and eligibility for the health insurance credit.
Refund	A refund is a lump-sum payment of your member contribution account balance. If you leave covered employment, you can request a refund. You will receive a full or partial refund based on whether you are vested or involuntarily separated from employment. Taking a refund cancels your membership and eligibility for any future benefits.
Required Minimum Distribution	If you participate in the Commonwealth of Virginia 457 Deferred Compensation Plan, a required minimum distribution will begin if you have not arranged to receive payments from your account by age 70½ or when you leave a position with an employer providing the plan, whichever is later.
Retiree	You are a retiree if you are no longer employed in a covered position and are receiving a monthly service or disability retirement benefit from VRS.
Retirement Date	The effective date of retirement is the first of the month.
Retirement Multiplier	The retirement benefit for members who retire on disability under the VRS formula amount is based on a multiplier of 1.7 percent.
Rollover	A rollover is a contribution of a pre-tax lump-sum payment, such as a refund, to an Individual Retirement Account (IRA) or another qualified plan. A rollover allows you to defer income taxes until you receive a payment from your plan.

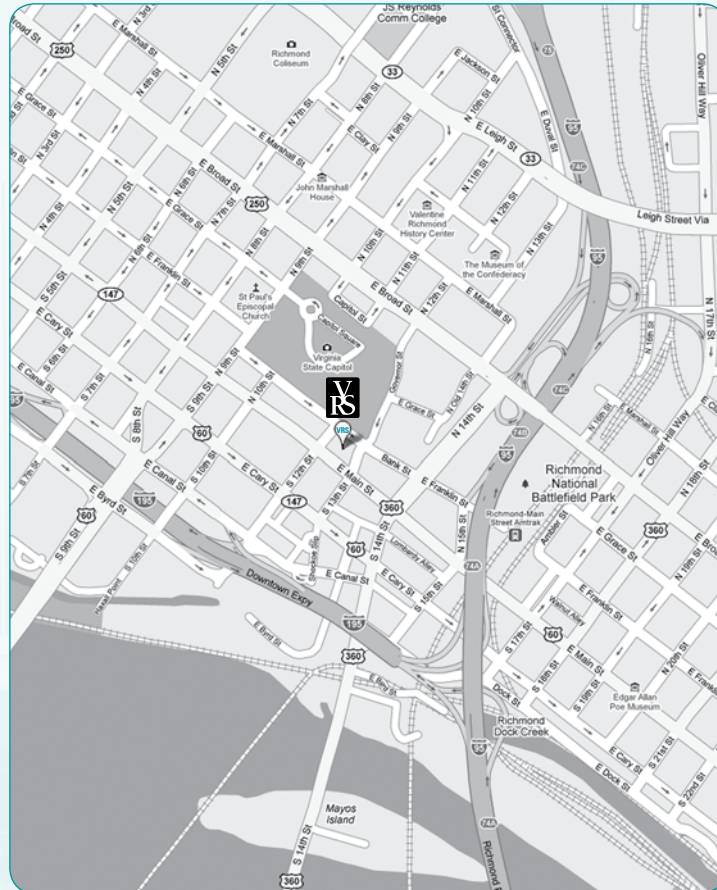
Service Credit Service credit includes active service and may include credit for prior service you may have purchased or additional service credit granted by your employer. It is one of the factors used to calculate the disability retirement benefit under the VRS formula amount as well as the service retirement benefit.

Service Retirement Service retirement is another term for regular retirement.

Survivor Option The Survivor Option is one of the available retirement benefit payout options when you apply for disability retirement. Under the Survivor Option, you elect to continue a lifetime monthly benefit to a survivor upon your death. This option reduces your monthly benefit. You can name any living person as your survivor; you also can name more than one survivor.

Vesting You become vested in VRS when you have at least five years of service credit. Vesting is the minimum length of service needed to qualify for a service retirement benefit, if you meet the age and service requirements for your plan, or to receive any contributions made by your employer to your member contribution account after July 1, 2010 should you leave covered employment and request a refund. You are not required to be vested to be considered for disability retirement.

VRS—1200 East Main Street, Richmond, VA



Want to learn more about your VRS benefits? – Meet with a counselor at VRS at 1200 East Main Street in downtown Richmond (see the VRS Web site at www.varetire.org for directions). Sessions are held on a first-come first-served basis. The hours are 8:30 a.m.- 5 p.m., Monday through Friday. Also, take advantage of member education opportunities offered on-site and online. Schedules and registration are available on the VRS Web site. Select Education & Counseling from the Member homepage.

7 Application Instructions and Required Forms

Application for Disability Retirement (VRS-6)

When Submitting Your Application

- Include a readable copy of your birth certificate. If your birth certificate does not include your full given name and birth date, you must provide other legal documentation. Your application cannot be processed without this document.
- Include a readable copy of your survivor's birth certificate if you chose a survivor option. If your survivor's birth certificate does not include a full given name and birth date, provide other legal documentation.
- Have your employer complete Part E of this application if you are currently employed in a covered position or have been within the last 12 months.
- Complete and submit the Authorization for Direct Deposit of Monthly Benefit (VRS-57) and the Request for Income Tax Withholding (VRS-15). Processing of your retirement application is delayed if the VRS-57 is not completed and submitted with your application.

It is important to provide all required documents at the time of application. If all required documents are not received, VRS is unable to submit your file to the Medical Board. This will delay a determination in your disability case and may affect when your first benefit payment is made.

Considerations

At the time of retirement or upon receiving approval for disability retirement (whichever is earliest), you must terminate all full-time and part-time positions that are covered by VRS in order to receive a monthly retirement benefit. You must also terminate work in any part-time positions not covered under VRS for the employer from which you are retiring. If you return to work in a full-time position with any employer participating in VRS, your monthly retirement benefit must cease. You once again become an active VRS member.

If you plan to return to work in a part-time position with any employer participating in VRS:

- The duties of your new position cannot be similar to the duties of the position from which you retired, and
- Your employer must comply with Internal Revenue Service (IRS) rules about "in-service" distributions. For your employer to be in compliance, you must terminate all full-time and part-time employment with your current employer before you receive your benefit payment. In addition, you must incur a break in service of at least one full calendar month before returning to part-time employment in a position not covered by VRS with your current employer. This break must occur during a normal work period.

Note: State agencies are considered one employer. Retired state employees may return to work in part-time positions with other state agencies after a full calendar month break in service during a normal work period.

Completing the Application for Disability Retirement (VRS-6)

Complete Parts A through D

(To avoid processing delays, print or type your information and ensure all items are completed.)

Part A: Member Information

- Boxes 1-10: Enter your personal information. In Box 2, check whether this is your original application or if you are submitting a revised application.
- Box 11: Enter the date you plan to retire (the first of any given month after your employment is terminated). If you leave this box blank, VRS will coordinate with your employer to arrange for the first possible retirement date.
- Box 12: If you check yes, the purchase must be completed while you are actively employed and no later than your date of termination.
- Box 13: If you check yes, your benefit cannot be calculated until the payment for the purchase has been submitted to VRS; additionally, you must complete the VRS-26F and include it with this form.
- Boxes 16-17: At the time of retirement or upon receiving approval for disability retirement (whichever is earliest), you must terminate all full-time and part-time positions that are covered by VRS to receive a monthly retirement benefit. You must also terminate work in any part-time positions not covered under VRS for the employer from which you are retiring.

Part B: Payout Option

- Box 19: Choose one payout option. Refer to Chapter 2-Calculating the Disability Retirement Benefit to determine which option will meet your retirement goal.

Part C: Survivor Information

- Boxes 20-25: Complete these boxes *only* if you chose the Survivor Option in Part B. If you chose the Survivor Option, you *must* send a legible copy of your survivor's birth certificate with this application.

Part D: Certification

- Box 26: Sign and date the application.
- If you are unable to sign the application and the payout option selected in Part B is the Survivor Option, only an individual specifically authorized to make testamentary changes on your behalf may sign it. Authorized individuals include a court-appointed Guardian or Committee; an Attorney-in-Fact named in a Durable Power of Attorney; or an individual specifically authorized by a court order to do so. A copy of the document providing such authorization must be presented to VRS for review before this application can be processed. If the application is not signed and dated, it is not valid and a new one must be completed. This may delay your first payment.**
- Box 27: If you checked Married or Separated in Box 7, your spouse must sign and date the application on or after the date you sign; otherwise, a new one must be completed. If you are unable to obtain your spouse's signature, contact VRS for additional information.

Have your employer complete Part E of this application if you are currently employed in a covered position or have been within the last 12 months.

Completing Other Required Documents

Explanation of Disability (VRS-6A): Complete this form to provide your interpretation of your job duties and how you are unable to perform them.

Boxes 1-6: Enter your personal information.

Boxes 7-12: Provide information about your employment.

Boxes 13-21: Provide information about your medical problem and your treatments.

Boxes 22-24: Check the appropriate response. If you check yes, attach the requested documents to the form.

Physician's Report (VRS-6B): This form allows your physician to provide VRS with information about your condition. Give this form to your physician and ask that it be completed and submitted directly to VRS. The physician must also submit written diagnostic, objective findings to substantiate the diagnosis.

It is in your interest to choose an authorized medical professional that will cooperate with the VRS disability retirement process to the fullest. It is your physician's responsibility to do his or her best to fully document your illness so that the Medical Board understands how your illness impacts your job performance. The Medical Board will not evaluate you personally. Your physician's documentation may have an impact on whether or not your application is approved.

Note: You are responsible for your medical bills. Remember that VRS is not responsible for payment of fees to the physician for providing any medical information.

Employer Information for Disability Application (VRS-6D): This form must be completed by your employer to provide VRS information about your position.

Request for Income Tax Withholding (VRS-15): This form authorizes VRS to withhold taxes at a rate other than a rate for a married individual claiming three exemptions and zero exemptions for state taxes. You do not need to submit the VRS-15 if you are retiring on work-related disability with the guaranteed benefit. This benefit is tax exempt.

Part A: Enter your personal information.

Parts B/C: Choose one federal income tax withholding option and one state income tax withholding option. If you choose to withhold income taxes, enter the number of exemptions and any additional amount you want withheld.

Authorization for Direct Deposit of Monthly Benefit (VRS-57): This form authorizes VRS to transfer funds electronically to your financial institution.

Boxes 1-4: Enter your personal information.

Boxes 5-7: Enter information about your financial institution.

Box 10: Attach a voided check in Box 10. VRS cannot accept hand-written account information.

Employer Responsibilities

Explanation of Disability (VRS-6): Complete Part E and verify the application has been completed in its entirety, signed and dated as required. (To avoid processing delays, print or type your information and ensure all times are completed.)

Employer Information for Disability Application (VRS-6D): Complete this form to provide VRS information about the employee's position and job status.

Ensure the member has included the following forms with the Application for Disability Retirement (VRS-6):

- Explanation of Disability (VRS-6A)
- Physician's Report (VRS-6B), if it has been completed previously. This document may be forwarded directly from the physician to VRS.
- Request for Income Tax Withholding (VRS-15)
- Authorization for Direct Deposit of Monthly Benefit (VRS-57)

Review the birth certificate (and the survivor's birth certificate if applicable) to ensure it is readable.

Mail the original Application for Disability Retirement and all other required documents to VRS. A copy of the application cannot be processed. **Note:** VRS does recommend a copy of the application be faxed to VRS in the case of life threatening illness.

APPLICATION FOR DISABILITY RETIREMENT



VIRGINIA RETIREMENT SYSTEM
 P.O. Box 2500 ♦ Richmond, Virginia 23218-2500
 Toll Free 1-888-VARETIR (827-3847)
 www.varetire.org

1. Social Security Number
2. Check One <input type="checkbox"/> Original Application <input type="checkbox"/> Revised Application

PART A. MEMBER INFORMATION

3. Name (First, Middle Initial, Last)	
4. Address (Street, City, State and Zip+4)	
5. Are you a Virginia resident? <input type="checkbox"/> Yes <input type="checkbox"/> No	6. Are you a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
7. Marital Status <input type="checkbox"/> Never Married <input type="checkbox"/> Married or Separated <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced – Date of Divorce _____ (mm/dd/yyyy)	
8. Home Phone Number	9. Daytime Phone Number
10. Birth Date (mm/dd/yy)	11. Retirement Date (mm/01/yy)
12. Are you in the process of purchasing prior service or have you purchased prior service credit in the past? <input type="checkbox"/> Yes <input type="checkbox"/> No	
13. Will you be purchasing service credit with your sick leave payment? <input type="checkbox"/> Yes <input type="checkbox"/> No	
14. Is this disability application for a cause compensable under Workers' Compensation? <input type="checkbox"/> Yes <input type="checkbox"/> No	
15. Have you previously applied for disability retirement? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, date applied: _____	
16. Will you be terminating all full-time employment with employers participating in VRS as of the earlier of your retirement date or upon approval of your disability retirement? <input type="checkbox"/> Yes <input type="checkbox"/> No (See instructions for more information)	
17. Will you be terminating all part-time employment with the employer from which you are retiring as of the earlier of your retirement date or upon approval of your disability retirement? <input type="checkbox"/> Yes <input type="checkbox"/> No (See instructions for more information)	



18. SSN

PART B. PAYOUT OPTION SELECTION

19. Retirement Payout Options (Choose One)

Basic Benefit

Survivor Option with _____ % payable to my survivor

PART C. SURVIVOR INFORMATION

Complete Part C **ONLY** if you chose a Survivor Option in Part B.

20. Survivor's Name (First, Middle Initial, Last)		
21. Relationship <input type="checkbox"/> Spouse <input type="checkbox"/> Other	22. Survivor's Birth Date (mm/dd/yy)	
23. Survivor's SSN	24. Is your survivor a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No	25. Survivor's Gender <input type="checkbox"/> Male <input type="checkbox"/> Female

PART D. CERTIFICATION

26. Member Certification

I hereby certify all information I provide in this document is true and I understand that any willful falsification of facts presented may result in prosecution as provided by law. I agree that, in the event that VRS pays retirement benefits in excess of those to which I am entitled, I or my estate will repay the excess to VRS. By signing this form, I hereby assign to VRS any VRS group life insurance benefits that may be payable as a result of my death to secure repayment of any such retirement benefit overpayment.

Member Signature

Date

27. Spouse Certification (Required if married or separated)

I have read and understand the retirement payout options available under VRS. I am aware of and understand the retirement payout option selected by my spouse in Part B and if my spouse chose a Survivor Option, the survivor benefits will be provided to the person named in Part C. Further, I am aware that counseling regarding the payout options is available.

Spouse's Signature

Date

Address (If different from member's address)

EXPLANATION OF DISABILITY



VIRGINIA RETIREMENT SYSTEM
 P.O. Box 2500 ♦ Richmond, Virginia 23218-2500
 Toll Free 1-888-VARETIR (827-3847)
 www.varetire.org

1. Social Security Number
2. Name

3. Address (Street, City, State and Zip+4)		
4. Home Phone Number	5. Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	6. Date of Birth (mm/dd/yy)
7. Employer		8. Job Title
9. Dates of Employment Initial hire date _____ Date you began this job _____	10. Are you still working? <input type="checkbox"/> No - Enter date last worked _____ <input type="checkbox"/> Yes - Employer must complete Form VRS-6D	11. Date leave without pay began (mm/dd/yy)
12. Supervisor Name and Phone Number		

Very careful consideration should be given to the following section of your application. Fully describe the medical problem so that we can understand why you feel unable to continue your job.

13. In your own words, list all the job duties you are required to perform on a regular basis:
14. Which of your duties listed above can you NOT perform?
15. What illness or injury prevents you from working?
16. Number of days lost from work during last year due to this disability: _____ Explain:
17. In what way(s) has your doctor told you to restrict your activities?
18. Are your home duties, school activities or abilities to care for your personal needs limited in any way? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, please explain:



19. SSN

20. Have you ever been treated at a hospital or clinic for your disability? No Yes

Were you admitted to a hospital? No Yes (If yes, attach discharge summary)

List the name, addresses, dates and reasons for hospitalizations or clinic visits and the types of treatment received concerning your disability so that records may be obtained if VRS needs them.

(Name of Hospital)	(Address)	(Dates)	(Reason)

Name of physician treating disability Physician's Phone Number

Physician's Address (Street, City, State and Zip+4)

Date you first saw physician Date you last saw physician How often do you see the physician?

21. List the names and address of any other physicians that you have seen in the past year related to your disability:

(Name)	(Address)	(Reason for Visit)

22. Is your disability application for a cause compensable under the Workers' Compensation Act?

No Yes (If yes, attach a copy of the accident report)

23. Have you received Workers' Compensation benefits? No Yes (If yes, attach a copy of the decision/award notice)

24. Have you applied for Social Security disability benefits? No Yes (If yes, attach a copy of the receipt/decision letter)

25. Certification

I hereby certify that all information I have given in this document is true and understand that any willful falsification of facts presented may result in a denial of my application for disability retirement and prosecution for a Class 1 misdemeanor as provided by law. I authorize any physician, agency or other organization to disclose any medical records or other information regarding my disability to the Board of Trustees and the Medical Review Board of the Virginia Retirement System. I also hereby authorize VRS to disclose any medical records or other information regarding my disability to any physician, agency or organization as may be required for my disability determination.

Member Signature

Date

PHYSICIAN'S REPORT



VIRGINIA RETIREMENT SYSTEM
P.O. Box 2500 ♦ Richmond, Virginia 23218-2500
Toll Free 1-888-VARETIR (827-3847)
www.varetire.org

1. Social Security Number
2. Name

The physician or other medical professional completes this form to describe the patient's illness(es) or condition(s) that may qualify the applicant for disability retirement. This information is used to make a decision about the applicant's disability retirement application.

Note: Review Part D to ensure all information supporting the diagnosis and treatment are submitted with this report.

PART A. DESCRIPTION OF DISABLING ILLNESS

3. List the physical functional limitations preventing the applicant from performing his or her usual work duties:

PART B. DIAGNOSIS AND TREATMENT

4. Indicate the diagnosis(es) and the onset date (for each), and whether each is causing or contributing to the disability:

<u>Diagnosis (Full diagnostic description)</u>	<u>Date of Onset</u>	<u>Causing or Contributing?</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. Date the patient became unable to work:

6. Date of patient's most recent visit (which must have been within the last 6 months):

7. Date of patient's first visit pertaining to this disability:

8. List the initial objective findings:



9. SSN

10. List all current medications:

<u>Medication</u>	<u>Dosage</u>	<u>Duration</u>	<u>Patient Compliance?</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

11. Description of any other treatment including therapy, patient compliance and response:

12. What improvement can be expected within one year of treatment?

13. Report any hospitalizations including special tests and or examinations for heart, vision and radiology:

14. Describe any surgical procedures performed on the patient including name, description of procedure, and response:

15. How has the patient's condition improved, remained unchanged, or worsened over the past year?

16. Do you consider the patient to be permanently disabled from performing his or her usual work duties?

Yes No

PART C. MEDICAL PROFESSIONAL INFORMATION

18. Name of Practice	
19. Medical Professional's Name	(First, Middle Initial, Last)
20. Mailing Address	(Street, City, State and Zip+4)
21. Telephone Number	
22. Medical Professional Signature	
NOTE: Unless otherwise specified, the Virginia Retirement System will <i>not</i> assume any responsibility for payment of fees for furnishing the requested information.	
_____	_____
Signature	Date

PART D. DOCUMENTATION REQUIRED TO SUBSTANTIATE CLAIMS

If the disability application is based on any of the conditions listed in this section, the following documentation is *required* where pertinent to the disability. Place a check by the type of condition and by all attachments being submitted.

If the disability application is *not* based on any of the conditions listed in this section, the physician's responsibility remains to provide any documentation such as consultations, radiology reports, other reports, special tests, laboratory or diagnostic studies and support the diagnosis.

 Musculo-Skeletal

- Report on any surgical treatment, including name of procedure and/or copy of operative note
- Current comprehensive Orthopedic examination
- Report on rheumatoid factor and sedimentation rate
- Report on uric acid relative to gouty arthritis
- Physical finding for all joints involved, including any deformities, tissue and bone destruction, range of motion and limitation of motion
- Current reports of radiology reports of involved joints

 Cardiac

- EKG and echocardiograms
- Reports on exercise tolerance and stress
- Answers to the following questions: Is the patient able to climb one flight of steps or walk 200 yards on level ground? Do such activities bring on severe dyspnea and/or angina? Or what duration of physical activity can the patient tolerate?
- Location of edema
- Report of any other physical findings

 Cancer

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Report on the stage of cancer | <input type="checkbox"/> CT scans |
| <input type="checkbox"/> Treatment Plan | <input type="checkbox"/> Bone scans |
| <input type="checkbox"/> Oncology report | <input type="checkbox"/> Lab Results |

Respiratory

- Frequency, duration and severity of acute attacks of asthma, bronchitis, etc.
- Answer to the following question: Is the patient able to climb a flight of stairs or walk 100 yards without dyspnea?
- Frequency of emergency room visits or hospitalization each year
- Report of current pulmonary function studies, predicted and actual values with the results expressed in the CCs or liters and also in percent. Include the oxygen and carbon dioxide level of room air.

 Neurological

- Current comprehensive neurological examination dated within the last six months
- If the condition is a seizure disorder, give the frequency and severity of the seizures in the past year
- Report on current EEGs, CT scans, MRIs with dates
- Report on any of the following conditions which are present, indicating severity, distribution, and residual function in affected parts: Atrophy, paralysis, hemiplegia, impaired speech, tremors, gait, reflexes, and mental disturbances (including a report on cognitive ability)

 Psychiatric

- Psychiatric signs and symptoms
- Report of current psychiatric consultation to include disabling symptoms, diagnosis, treatment, and prognosis
- Number of appointments with psychiatrist, psychologist or medical social worker in the past two-year period and date of last appointment

 Diabetes

- Symptoms and complications
- History including onset date, length of treatment, and weight loss
- Current treatment, including insulin and medications
- Report on current blood sugars with date and/or A1C
- Report on current urinalysis with date

 Visual

- Report on visual acuity after best correction: R 20/ _____ and L 20/ _____
- Report of visual fields, including chart, if indicated
- Report on fundoscopic findings
- Description of ocular tension
- Description of therapy and prognosis
- Information about whether or not the patient drives an automobile

 Auditory-Vestibular

- MRI or CT reports
- Audiogram with respect to puretone, SRT, and speech discrimination
- If patient has hearing aids, indicate the aided thresholds with respect to SRT and speech discrimination
- If vertigo or Menieres disease:
 - Frequency, duration and severity of attacks
 - ENG report
 - Report on vestibular function and gait
 - Report of any medical and surgical treatment

 Digestive

- Report on symptoms and treatment
- Endoscopies, radiological reports, and special studies
- Complete report of current lower or upper GI series with date, if pertinent

 Fibromyalgia

- Report of any tender points
- A functional capacity evaluation for the patient's job
- Psychiatric report, if applicable

 Other (Describe all documentation enclosed such as test results, consultation notes.)

EMPLOYER INFORMATION FOR DISABILITY APPLICATION



VIRGINIA RETIREMENT SYSTEM
P.O. Box 2500 ♦ Richmond, Virginia 23218-2500
Toll Free 1-888-VARETIR (827-3847)
www.varetire.org

1. Social Security Number
2. Name

A human resources representative completes this form in consultation with the applicant's immediate supervisor. This information must not contain references to any type of medical condition. If the applicant is no longer working please provide information as of the most recent period of work. Please attach the job description in effect as of the applicant's last date of work.

The VRS Medical Board requires specific information about the applicant's job duties to make a determination of eligibility for disability retirement. This information will be considered in determining whether the applicant's disability is likely to be permanent; therefore, it is important that the form is filled out completely, signed and dated.

3. Is the employee performing all of the duties listed on the job description? <input type="checkbox"/> Yes <input type="checkbox"/> No
4. If not, which duties is the employee not performing, and why? (Please be specific)
5. What, if any, changes or modifications have been made to enable the employee to continue working?
6. If changes or modifications were made, were they temporary or permanent?
7. How has the employee's illness affected his or her job performance during the past year (or last year of active employment if no longer working)?
8. Human Resources Authorization
Authorized Signer (Please print) _____ Title _____
Signature _____ Phone Number _____ Date _____
Name of Immediate Supervisor _____



REQUEST FOR INCOME TAX WITHHOLDING



VIRGINIA RETIREMENT SYSTEM
P.O. Box 2500 ♦ Richmond, Virginia 23218-2500
Toll Free 1-888-VARETIR (827-3847)
Fax 1-804-786-9718
www.varetire.org

1. Social Security Number
2. Daytime Phone Number

Complete this form if you are a new retiree, or if you want to make a change to your income tax withholding. If a completed VRS-15 is not on file, VRS withholds federal income tax based on the rate for a married individual claiming three exemptions and state income tax based on the rate for zero exemptions. Refer to the back of this form to calculate exemptions.

PART A. RETIREE INFORMATION

3. Name (First, Middle Initial, Last)	
4. Address (Street, City, State and Zip+4)	
5. Type of Request <input type="checkbox"/> New Request <input type="checkbox"/> Change to current tax withholding	6. Type of Payment (Choose payments affected by this change) <input type="checkbox"/> Retiree <input type="checkbox"/> Survivor <input type="checkbox"/> Third Party
7. Residency Status <input type="checkbox"/> US Citizen/Resident Alien <input type="checkbox"/> Non-resident Alien (Marking this box certifies your status as non-resident alien and that you are not a U.S. citizen or resident alien.)	

PART B. FEDERAL INCOME TAX WITHHOLDING

Choose one option below. If you choose to have income tax withheld, provide your marital status and the number of exemptions.

Do not withhold federal income tax from my monthly benefit. I understand I am liable for paying federal income tax on the taxable portion of my benefit and I may be subject to tax penalties under the estimated tax payment rules if my payment(s) of estimated tax and withholding are not adequate. (If I am a U.S. Citizen or resident alien whose benefit payments are delivered outside the U.S. or its possessions, I *must* have federal income tax withheld.)

Using the marital status and the exemptions below, calculate my federal income tax withholding (if any) in accordance with the tax formula as published in IRS Publication 15.

Marital Status: Married Single Number of Exemptions: _____

If you wish an amount withheld in addition to the calculated tax, enter the additional amount to be withheld per month: \$ _____

PART C. STATE OF VIRGINIA INCOME TAX WITHHOLDING

Choose one option below. If you choose to have state income tax withheld, provide the number of exemptions of each type. (You are not required to have Virginia state income tax withheld from your benefit if you do not reside in Virginia.)

Do not withhold state income tax from my monthly benefit. I understand I am liable for paying state income tax on the taxable portion of my benefit and I may be subject to tax penalties under the estimated tax payment rules if my payment(s) of estimated tax and withholding are not adequate.

Using the exemptions below, calculate my state income tax withholding (if any) in accordance with the tax formula as published in the Virginia Income Tax publication.

Personal Exemptions: _____ Age and Blindness Exemptions: _____ Total Exemptions: _____

If you wish an amount withheld in addition to the calculated tax, enter the additional amount to be withheld per month: \$ _____

Signature

Date



Completing Part B. Federal Income Tax Withholding

For detailed information about federal income tax withholding, refer to the Internal Revenue Service (IRS) web site at www.irs.gov to review the IRS Form W-4P. The "Personal Allowances Worksheet" from the W-4P is provided below for calculating exemptions for federal income tax purposes. Review the IRS Form W-4P for additional information about other worksheets that might apply.

- A** Enter "1" for **yourself** if no one else can claim you as a dependent. **A** _____
- B** Enter "1" if: a) You are single and have only one pension; or **B** _____
b) You are married, have only one pension and your spouse has no income subject to withholding; or
c) Your income from a second pension or a job, or your spouse's pension or wages (or the total of all), is \$1,000 or less.
- C** Enter "1" for your **spouse**. But, you may choose to enter "0" if you are married and have either a spouse who has income subject to withholding or you have more than one source of income subject to withholding. (Entering "0" may help you avoid having too little tax withheld.) **C** _____
- D** Enter the number of **dependents** (other than your spouse or yourself) you will claim on your tax return. **D** _____
- E** Enter "1" if you will file as **head of household** on your tax return. **E** _____
- F** **Child Tax Credit** (including additional child tax credit): If your total income will be less than \$52,000 (\$77,000 if married), enter "2" for each eligible child. If your total income will be between \$52,000 and \$84,000 (\$77,000 and \$119,000 if married), enter "1" for each eligible child, plus "1" additional if you have for or more eligible children. **F** _____
- G** Add lines A through F for total Personal Exemptions. Enter this number in Part B if you choose to have federal income tax withheld. **Note:** This may be different than the number of exemptions you claim on your tax return. **G** _____

Completing Part C. State Income Tax Withholding

For detailed information about state income tax withholding, refer to the Virginia Department of Taxation web site at www.tax.virginia.gov to review the Virginia Form VA-4P. The "Personal Exemption Worksheet" from the VA-4P is provided below for calculating exemptions for state income tax purposes.

Calculate Personal Exemptions

- 1** Enter "1" for **yourself**. **1** _____
- 2** If you are married and your spouse is not claimed on his or her own certificate, enter "1". **2** _____
- 3** Enter the number of dependents you will claim on your state income tax return. (Do not include your spouse.) **3** _____
- 4** Add lines 1, 2, and 3 for total Personal Exemptions. Enter this number in Part C if you choose to have state income tax withheld. **4** _____

Calculate Exemptions for Age and Blindness

- 5** Age: a) If you will be 65 or older on January 1, enter "1". **5a** _____
b) If you claimed an exemption on line 2 above and your spouse will be 65 or older on January 1, enter "1". **5b** _____
- 6** Blindness: a) If you are legally blind, enter "1". **6a** _____
b) If you claimed an exemption on line 2 above and your spouse is legally blind, enter "1". **6b** _____
- 7** Add lines 5a through 6b for total Age and Blindness Exemptions. Enter this number in Part C if you choose to have state income tax withheld. **7** _____

AUTHORIZATION FOR DIRECT DEPOSIT OF MONTHLY BENEFIT



VIRGINIA RETIREMENT SYSTEM
P.O. Box 2500 ♦ Richmond, Virginia 23218-2500
Toll Free 1-888-VARETIR (827-3847)
Fax 1-804-786-9718
www.varetire.org

1. Social Security Number
2. Phone Number

If you are a Power of Attorney or guardian for a retiree or survivor, please attach a copy of your Power of Attorney or guardianship papers. If you are filling this out on behalf of a retiree or beneficiary in the State Retiree Health Benefits Program and the address is being updated, the address change will not be made unless the Power of Attorney specifically authorizes access to health plan information.

VRS will send you a Statement of Earnings when the first benefit payment is made into the new account. If your mailing address changes, it is very important to notify VRS so you'll receive important information that is mailed to your mailing address, including the year-end tax statement and newsletters.

Note: If you receive more than one benefit from VRS, this authorization applies to all benefits you receive.

4. Name (First, Middle Initial, Last)	
5. Address (Street, City, State and Zip+4) <input type="checkbox"/> Check here if a new address	
6. Type of Request (Choose one) <input type="checkbox"/> New Retiree (Initial Request) <input type="checkbox"/> New Survivor (Initial Request) <input type="checkbox"/> Third Party (Initial Request) <input type="checkbox"/> Change of Direct Deposit Information	
7. Name of Financial Institution	8. Branch (City and State)
9. Type of Account (Choose one) <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
10. Authorization and Signature (Required for Processing) I hereby authorize VRS to deposit my monthly retirement benefit payment directly to my account at the financial institution shown below. I agree to provide written notification to VRS within 30 days of any changes to this information so that my monthly benefit may be properly distributed. I also authorize VRS to make adjustments to my account to correct any credit entries made in error. Signature _____ Date _____	
11. Provide a voided check with the correct routing information and account number. To ensure the information you provide is accurate, you may wish to contact your financial institution. TAPE VOIDED CHECK WITHIN THE LINES OF THIS BOX	



VRS Plan 1&2



Virginia
Retirement
System

Virginia Retirement System • 1200 East Main Street • P.O. Box 2500 • Richmond, VA 23218-2500
www.varetire.org • 1-888-VARETIR (1-888-827-3847) • TDD: 804-344-3190