

The 2013 COLA is 2.07 Percent

The 2013 cost-of-living adjustment (COLA) for eligible retirees is 2.07 percent. The COLA is effective July 1 and will appear in the August 1 benefit payment.

If you retired before February 1, 2013, your first COLA goes into effect on July 1 after you complete one full calendar year of retirement.*

EXAMPLE: If you retired on September 1, 2012, you will become eligible for your first COLA on July 1, 2014. It will appear in your August 1, 2014 benefit payment.

Cost-of-living adjustments (COLAs) allow your retirement benefit to keep pace with inflation. The COLA is based on the Consumer Price Index for all Urban Consumers (CPI-U), published by the U.S. Bureau of Labor Statistics and updated each July 1. During years of no inflation or deflation, the COLA is 0 percent.

*A calendar year starts January 1 and ends December 31.

If you retired on or after February 1, 2013:

Your COLA will go into effect on July 1 after one full calendar year from the date you would have become eligible for an unreduced retirement benefit if you retired with a reduced benefit with less than 20 years of service.

EXAMPLE: If your unreduced retirement eligibility date is October 1, 2020, but you retired on March 1, 2013 and have less than 20 years of service credit when you retire, your first COLA will be effective July 1, 2022.

Exceptions

Your COLA will go into effect on July 1 after one full calendar year from your retirement date if you:

- Retired with an unreduced benefit or with a reduced benefit with at least 20 or more years of service credit, or

- Retired on disability, or
- Were within five years of qualifying for an unreduced retirement benefit as of January 1, 2013, or
- Retired directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP), or
- Were involuntarily separated from employment for causes other than job performance or misconduct and retired under the Workforce Transition Act or the Transitional Benefits Program, or
- You are receiving a death in service retirement benefit

EXAMPLE: If you retired on March 1, 2013, your first COLA will be effective July 1, 2015 and appear in your August 1, 2015 benefit payment. [VRS](#)

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Your Direct Deposit Schedule for July through December



Payment for the month of: Deposited on:

June	July 1
July	August 1
August	August 30
September	October 1
October	November 1
November	November 29
December	December 31

Need forms, publications or more information about your benefits?

You can find all the forms, publications and benefit information you need on the VRS website at www.varetire.org. If you do not have access to the Internet, the resources and information in this newsletter are available by calling VRS toll free at 1-888-VARETIR (1-888-827-3847).

Hazardous Duty Supplement Increases to \$13,128

The hazardous duty supplement will increase for eligible retirees from \$12,456 to \$13,128 a year on July 1, 2013. This increase will be reflected in the August 1 benefit payment.

The supplement is a dollar amount added to your monthly benefit if you retired with at least 20 years of hazardous duty service credit with:

- The State Police Officers' Retirement System (SPORS)
- The Virginia Law Officers' Retirement System (VaLORS) under the 1.7 percent retirement multiplier with eligibility for the hazardous duty supplement
- Were a VRS-covered sheriff, deputy sheriff, regional jail superintendent or sworn officer of a regional jail, or
- Worked in a hazardous duty position with a political subdivision offering enhanced coverage

The supplement begins at retirement and continues until full Social Security retirement age for most eligible retirees, except those retiring under VaLORS. VaLORS retirees, who retire with the 1.7 percent multiplier and are eligible for the supplement, receive the supplement until age 65.

Is Your Beneficiary Designation Up to Date?

Update your beneficiary if you have had a personal change such as a change in marital status or an addition to your family. VRS is required to pay benefits according to the latest beneficiary designation in your record. To change your beneficiary, submit the Designation of Beneficiary (VRS-2) to VRS.



The form is available at www.varetire.org; select Forms from the left column of any web page. Or you can call VRS at 1-888-VARETIR (1-888-827-3847) to request a form.

If you need to find out who you have currently as beneficiary, write to Minnesota Life, P.O. Box 1193, Richmond, VA 23218-1193. Neither VRS nor Minnesota Life can provide your designation over the phone.

VRS Achieves 13.0 Percent Return for 2012

VRS achieved a 13.0 percent net return on its investment portfolio for calendar year (January 1 through December 31) 2012, ending the year with \$55.5 billion in assets.

“All asset classes performed well and we are very pleased with the results that we were able to achieve this calendar year. Given favorable market conditions, we exceeded the long-term assumed rate of return of 7 percent, and we also beat the custom long-term benchmark of 11.6 percent,” said VRS Chief Investment Officer Ronald D. Schmitz.

“We exceeded the long-term assumed rate of return of 7 percent.”

The Survivor Option and When You Can Make a Change

Most of the time you cannot change the benefit payment option you chose when you retired. If you chose the Survivor Option, however, you may change to the Basic Benefit or name another person to receive survivor benefits under these conditions:

- Your survivor dies, or
- You divorce your survivor after fewer than 20 years of marriage*, or
- You divorce after 20 years or more and your former spouse either dies, remarries or consents to the change*, or
- You supply VRS with written consent from your survivor relinquishing claim to a benefit, along with satisfactory evidence of his or her good health.

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

To make a change to the Survivor Option, submit an Authorization to Change Retirement Benefit Payout Option (VRS-5C) to VRS. If you decide to revert to the Basic Benefit, the Basic Benefit is payable retroactively to no more than 60 days before the date VRS receives your completed VRS-5C. You may make a change to your Survivor Option only once during your lifetime.

For a VRS-5C, call the VRS Customer Contact Center:
Toll Free: 1-888-VARETIR (1-888-827-3847).



What Are the Benefits of an Online Social Security Account?

Why have an online Social Security account? A *my* Social Security account gives you quick access to your account information and more control over your benefit.

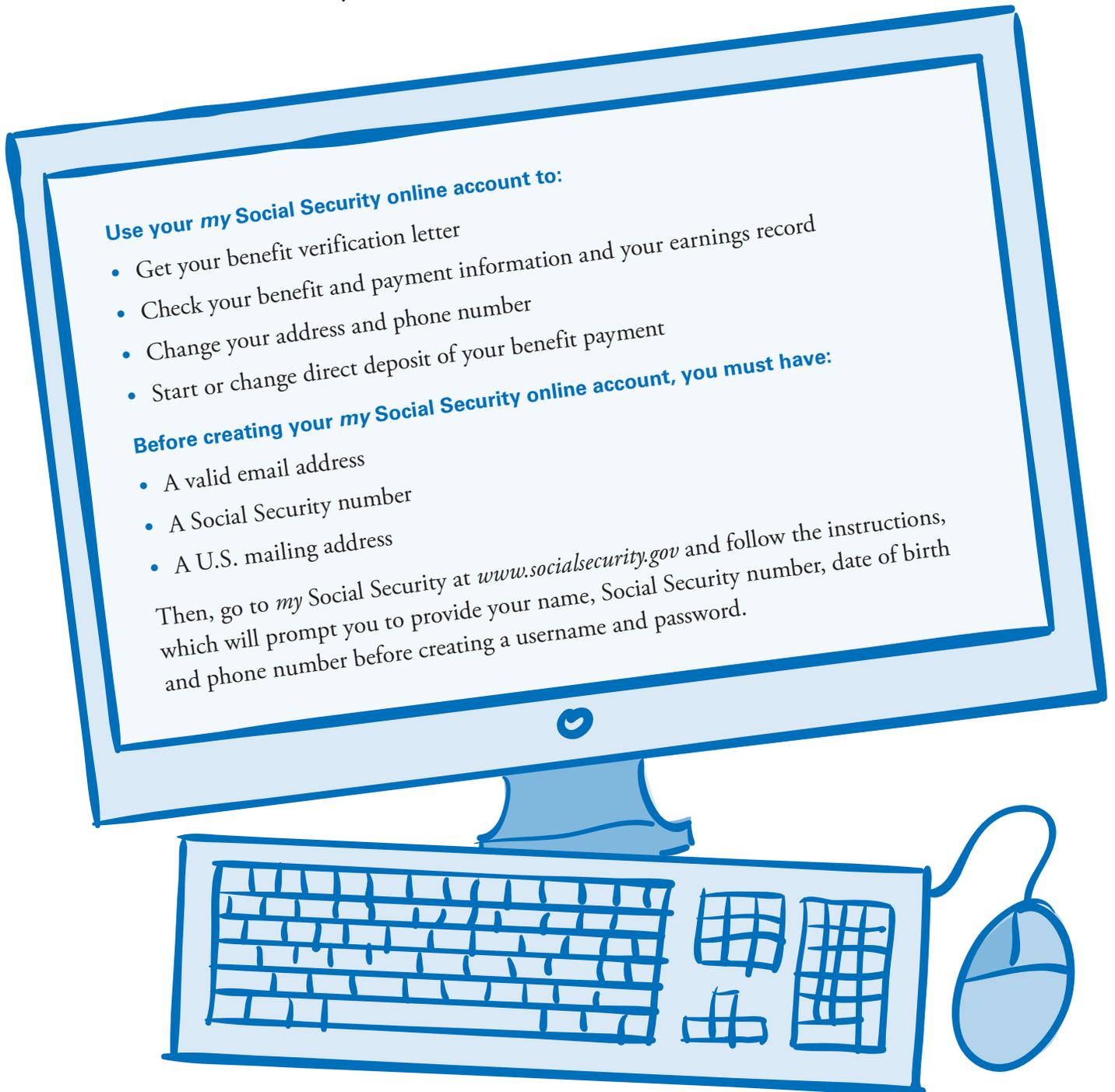
Use your *my* Social Security online account to:

- Get your benefit verification letter
- Check your benefit and payment information and your earnings record
- Change your address and phone number
- Start or change direct deposit of your benefit payment

Before creating your *my* Social Security online account, you must have:

- A valid email address
- A Social Security number
- A U.S. mailing address

Then, go to *my* Social Security at www.socialsecurity.gov and follow the instructions, which will prompt you to provide your name, Social Security number, date of birth and phone number before creating a username and password.



VRS Announces New Board Member

The General Assembly Joint Rules Committee appointed Troilen Gainey Seward to the Virginia Retirement System (VRS) Board of Trustees. Seward's appointment term ends February 28, 2017.



Seward

Seward is a legislative consultant representing the Virginia Association of School Psychologists, the Virginia State Reading Association and the Virginia Association of Adult and Continuing Education, and is a former superintendent of Dinwiddie County Public Schools.

She serves on the Virginia Board of

Education Adult Education Advisory Committee and has won numerous honors in the field of education, including Region 1 Superintendent of the Year and the Excellence in Educational Leadership Award.

Seward earned her Bachelor of Arts in Education/ French and her Master in School Psychology at the College of William and Mary, her Master in Guidance and Counseling from Virginia Commonwealth University and an Educational Specialist in Counseling from the College of William and Mary.

VRS Board of Trustees

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Colette Sheehy

Are You Moving?

If you're planning a move, notify VRS of your new address even if you receive your retirement benefit through direct deposit. VRS sends your retiree newsletter, tax forms and other important information to your home address.

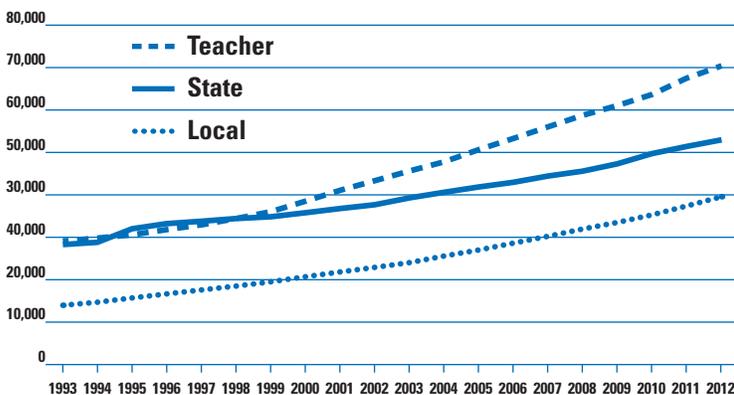
To notify VRS of your new address, fill out a Name and Address Declaration for Retirees (VRS-58), which you can download from the website at www.varetire.org or request from the VRS Customer Contact Center.

You can also write a letter to VRS to change your home mailing address. Include your name, Social Security number, new address and signature in the letter.



What the Latest Numbers Say About VRS Retirees

Retiree numbers are growing



When do most people retire?

And how much service credit do they have at retirement?

RETIREES (FY 2012)	STATE	TEACHERS	LOCAL
Average Age at Retirement	62.9	61.5	62.1
Average Service at Retirement	20.8	23.0	19.9

Tips for Keeping Hackers and Scammers Out of Your Life

Hackers, scammers and identity thieves can be avoided. Protect yourself by following these tips from the Internet Crime Complaint Center:

- Don't use the same passwords on multiple sites, such as your bank password and the password you use for your *myVRS* account.
- Keep anti-virus and anti-spyware software on your computer up-to-date.
- Don't read spam emails, which are bulk, unsolicited emails. Delete them.
- Never send credit or debit card information, Social Security numbers or personal information by email.
- Never give your personal information over the phone unless you have made the call.
- Monitor your accounts and statements for missing bills, errors and charges you don't recognize.
- Destroy the hard drive on your computer before you get rid of it.
- Don't use public wireless networks to access your bank or other accounts.
- Shred bills and credit card statements, old credit card or ATM receipts, medical statements or even junk-mail solicitations for credit cards and mortgages.
- Ensure a website is secure and reputable before providing your credit card number online – don't trust a site just because it claims to be secure.
- Report unauthorized transactions to your bank or credit card company as soon as possible.

For more information, see:

Internet Crime Complaint Center website:
www.ic3.gov/preventiontips.aspx

Identity Theft Information:
www.consumer.ftc.gov/topics/privacy-identity

Don't use public wireless networks to access your bank or other accounts.

VRS keeps your account safe by encrypting the information between your computer and *myVRS*. This ensures that no one but you has access to your *myVRS* account. However, do not send email with confidential information to VRS even when you are logged into your online account and do not share your password with anyone.

Protect Your *myVRS* Account:

- Always select "Log-Out" from the top right area of the page to log out of your *myVRS* account. Do not close the window using your browser.
- Avoid using the same password for *myVRS* that you use to access other secure systems, such as your online bank accounts.
- Change your password regularly.
- Create strong passwords, using a combination of upper and lower case characters and numbers.
- Store printed copies of your online account securely.

Take a Look at Your Benefit Summary in *myVRS*

Your benefit summary page is the first thing you see when you visit your account in *myVRS*. It can tell you when your benefit is deposited, how much your benefit is, how it breaks down with health insurance deductions and the health insurance credit. On other pages, you can learn more about where it is deposited, how much your tax withholdings are, your health insurance credit amount, if you are eligible, and more:

Cost-of-Living Adjustments

- View cost-of-living adjustments (COLAs) for the first year you become eligible.
- See the current COLA and a list of the COLAs for the previous five years.



Income Tax Information

The screenshot shows the 'Income Tax Information' section of the myVRS portal. It includes a 'Change Withholdings' button and a table of tax information.

Federal Withholdings		Virginia Withholdings	
Withholding Taxes ?	Yes	Withholding Taxes ?	Yes
Marital Status	Married	Age/Blindness Exemptions	0
Personal Exemptions	1	Personal Exemptions	1
Additional Amount	\$0.00	Additional Amount	\$0.00

Look up your income tax information for the amount of federal and state income taxes withheld, your marital status and exemptions.

Health Insurance

- Review your health insurance, if applicable, including your plan name, date of coverage and the premium amount if VRS deducts the premiums from your benefit.
- If you are eligible to receive the health insurance credit, the actual amount and the maximum health insurance credit for which you are eligible also will be provided on this page.

Life Insurance

- View the amount of your current basic life insurance coverage, if you are covered under the VRS Group Life Insurance Program.
- Preview the amount of coverage you'll have when it reaches the final reduction amount.

- You also can see a chart that shows the amount of your insurance as it reduces and the date of each reduction.

Review the plan under which you retired; your type of retirement – regular or disability.
Review your retirement date.
Review your years of service credit at retirement; your age at retirement; and the benefit payout option you chose.

Retirement Selections

The screenshot shows the 'Retirement Selections' section of the myVRS portal. It includes a 'Retirement Selections' button and a table of retirement details.

Retirement Selections	
Selections Overview	
Retired Under	Plan 1
Retirement Type	Service
Retirement Date	July 1, 2008
Service	30 years
Age at Retirement	56 years 9 mos
Payout Option	Basic Benefit

Virginia Retirement System
P.O. Box 2500
Richmond, Virginia 23218-2500

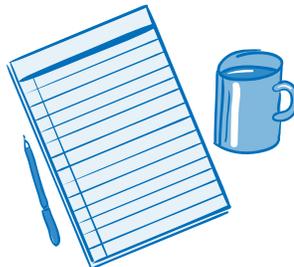
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Learn About Your DCP Options At a Meeting Near You

Want to learn more about your Commonwealth of Virginia 457 Deferred Compensation Plan? Attend one of the Regional Education Meetings, which are scheduled throughout Virginia. The session, Retirement Distribution Strategies, is specially designed for 457 Plan participants who are retired or nearing retirement.

- The meetings are open to those who participate in the Commonwealth's 457 Plan.
- The meetings are free; registration is requested.
- Topics cover distribution options and taxes.
- Presenters are available following the afternoon session for individual questions.



For meeting dates and locations and to register online, go to www.varetire.org and select the Defined Contribution Plans tab, then Commonwealth of Virginia Deferred Compensation Plan (457) from the dropdown menu, or call 1-VRS-DCPLAN1 (1-877-327-5261) and choose Option 2.

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