



# Transitional Benefits Program

## ENHANCED RETIREMENT BENEFIT CHECKLIST FOR EMPLOYERS

Use this checklist to counsel employees who are involuntarily separated from employment and eligible to retire under TBP once you have elected to offer the Transitional Benefits Program (TBP) and VRS has acknowledged your election of the coverage. To elect the enhanced retirement benefit under this program, Plan 1 employees must be at least age 50; Plan 2 and Hybrid Retirement Plan members must be at least age 60. All must have five or more years of service credit.

✓ <b>Preparing for the TBP Retirement Counseling Session</b>	
	Review the <a href="#">Transitional Benefits Program</a> . Determine if the employee qualifies for retirement under TBP. If the employee is not eligible to retire, even with the additional TBP credit, do not use this checklist. Under the TBP program, employees not eligible for retirement will receive regular continued payment from their employer for the weeks required.
	Calculate the amount of the employee's TBP service credit or cash severance benefit using the <a href="#">Transitional Benefits Calculator</a> . If you have access to employee information, use the service credit from the TBP calculator when calculating an estimate of the enhanced retirement benefit in <a href="#">myVRS Navigator</a> . If you do not have access to myVRS Navigator, you may contact VRS for a benefit estimate.
	Review coverage of other benefits as applicable, such as life insurance, the health insurance credit, long-term care options and distributions from the Commonwealth's 457 Deferred Compensation Plan and Cash Match Plan, or the defined contribution component of the Hybrid Retirement Plan.
	Determine if the employee has unused sick leave.
	Determine if the employee is in an agreement to purchase VRS prior service credit or has service available to purchase.
✓ <b>Conducting the Counseling Session</b>	
	Review the <a href="#">Transitional Benefits Program</a> with the employee. Discuss the TBP options available to the employee based on your calculations: (1) Retire with a cash severance benefit and no TBP retirement credit; or (2) retire with TBP retirement credit and no cash severance benefit.
	Provide the <i>Getting Ready to Retire Guide</i> for Plan 1 and Plan 2 members, or hybrid members. Review other VRS resources such as retiree benefits, education and counseling, and the <i>Handbook for Members</i> at <a href="http://www.varetire.org">www.varetire.org</a> or <a href="http://www.varetire.org/hybrid">www.varetire.org/hybrid</a> .
	Inform employee that any eligible prior service purchases must be completed 60 days before retirement.
	If the employee is covered under enhanced hazardous duty benefits, determine if the additional credit qualifies the employee for the hazardous duty supplement and go over the supplement.
	Advise employee that retirement is effective on the first of the month and to apply between 60-120 days before this date. Also explain that benefits cannot begin until the employee has been separated from employment (full-time and part-time) with the employer for all covered and non-covered service for at least one full calendar month from the retirement date.
	Review any eligible payments of unused annual leave. Explain the conversion of a sick leave payout to service credit, if applicable.
	If the employee is eligible to continue VRS group life insurance coverage (see <a href="#">Insurance in Retirement</a> ): <ul style="list-style-type: none"><li>• Explain Basic Group Life Insurance benefits that continue in retirement and coverage reduction: Beginning January 1 following one calendar year of retirement, 25 percent each January 1 until coverage reduces to 25 percent of its value.</li><li>• If covered under Optional Group Life Insurance, explain eligibility to continue coverage provided the employee and his or her spouse and dependent children, if applicable, have been continuously covered during the 60 months prior to retirement, or option to convert coverage.</li></ul>
	Review options for the employee's 457 and Cash Match Plans, if applicable (see Commonwealth of Virginia 457 Deferred Compensation Plan and Virginia Cash Match Plan for more information, as well as the defined contribution component of the hybrid plan, as applicable). Review the benefit payout options available to the employee and point out that the selection is irrevocable, except for the Survivor Option under some conditions.

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	Explain the option to continue long-term care coverage under the Virginia Local Disability Program (VLDP), if eligible. Retirees wishing to continue coverage under the VLDP Long-Term Care Plan must enroll within 60 days of the end of the layoff period or the retirement date, whichever occurs first. Refer the employee to VLDP Long-Term Care Plan for more information.
	Discuss federal and state income taxes on benefit payments (pre-tax dollars only) and distributions from the deferred compensation plan account, if applicable.
	Review the COLA: Cost-of-living adjustments (COLAs) allow retirement benefits 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. Eligibility and COLA calculation information is available in the <a href="#">Retiree Handbook</a> .
	Review the restrictions against returning to employment if the employee retires under the Transitional Benefits Program. Employees retiring under the program who return to covered employment with any VRS-participating employer in any capacity will forfeit the enhanced retirement credits when they retire again.
✓ <b>Submitting the Application</b>	
Items the Employee Completes:	
	Have the employee complete the <a href="#">Application for Service Retirement (VRS-5)</a> and submit it to VRS.
	If applicable, have the employee log into his or her myVRS account to initiate purchase of prior service.
	Have the employee complete the following required form and submit it to VRS: <ul style="list-style-type: none"> <li>• <a href="#">Designation of Beneficiary (VRS-2)</a></li> </ul>
	Have the employee complete the following forms as applicable and submit them to VRS: <ul style="list-style-type: none"> <li>• <a href="#">Retiree Optional Life Continuation (VRS-39R)</a></li> <li>• <a href="#">Request for Health Insurance Credit (VRS-45)</a> if the employee is eligible for the health insurance credit and VRS will not be deducting a retiree health insurance premium from the employee's benefit.</li> <li>• <a href="#">Authorization of Coverage Retention for the Long Term Care Plan (VSDP or VLDP) (VRS-170)</a></li> <li>• <a href="#">Protection Against Unintentional Lapse of Long Term Care Plan (VSDP or VLDP) (VRS-171)</a></li> </ul>
	If the employee is covered by the Hybrid Retirement Plan, have the employee complete the following <a href="#">additional required forms</a> and submit them to VRS. <ul style="list-style-type: none"> <li>• VRS Hybrid 457 Deferred Compensation Plan Distribution/Direct Rollover/Transfer Request Form</li> <li>• VRS Hybrid 401(a) Cash Match Plan Distribution/Direct Rollover/Transfer Request Form</li> <li>• IRS Form W-4P: Withholding Certificate for Pension or Annuity Payments</li> <li>• Designation of Beneficiary — Defined Contribution component</li> </ul>
Items You, the Employer, Complete:	
	Complete and sign the <a href="#">Employer Certification of Involuntary Separation Under the Transitional Benefits Program (VRS-11B)</a> or a printout from the Transitional Benefits Program calculator and submit it to VRS.
	For eligible hazardous duty employees, complete the <a href="#">Certification of Hazardous Duty (VRS-77)</a> and submit it to VRS.
	If the employee is eligible and elects to convert a sick leave payout to service credit, complete the process through myVRS Navigator.

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✓ <b>Completing the Retirement Process</b>	
	Upon receiving approval for retirement, you, as the employer, receive a secure message to certify the retirement online and separate the employee in myVRS Navigator if the employee is currently in a covered position or has been within the last 12 months.
	The employee will receive the Retirement Acknowledgement letter if the application is not immediately auto-approved, but still pending, or the Retirement Approval letter, which includes a general summary of retirement benefits, if the application has been approved.
	Once the first payment is processed, the employee will receive a Welcome to Retirement letter which includes the Service Retirement summary, the final summary of retirement benefits.
	<p>A VRS member who registered for myVRS while working will keep the same account in retirement. Members should check their myVRS account information to ensure they are using an email address accessible after retirement. Once VRS issues the first benefit payment, myVRS will switch from active member information to retiree information. Otherwise, the member may set up an account after retiring, using the information VRS will provide by mail. The myVRS account will allow the retiree to perform the following tasks:</p> <ul style="list-style-type: none"><li>• Update address and contact information</li><li>• View benefit payment information</li><li>• View the amount of your health insurance premiums, if applicable</li><li>• View the amount of your health insurance credit, if applicable</li><li>• Print income verification</li><li>• View tax information</li><li>• View cost-of-living adjustments (COLAs)</li><li>• View payment destination</li><li>• View value of life insurance (if eligible)</li></ul>

**Questions? Call VRS toll-free at 1-888-827-3847.**

Select menu option 3 to speak with an employer advisor.