



# Plan 1: State Employees, Teachers and General Political Subdivision Employees

<b>Average Final Compensation</b>	Your average final compensation is the average of your 36 consecutive months of highest creditable compensation as a covered employee.
<b>Service Benefit Calculation</b>	Your unreduced Basic Benefit is calculated using the following formula:  Average final compensation × Retirement multiplier × Total years of service credit at retirement
	<b>Annual benefit amount</b> ÷ 12 months
	<b>Monthly benefit amount before taxes and other deductions</b>
	A reduction factor is applied to your monthly benefit amount if you retire with a reduced retirement benefit (see below) or a benefit payout option other than the Basic Benefit.
<b>Cost-of-Living Adjustment (COLA)</b>	You receive cost-of-living adjustments (COLAs) to your retirement benefit to assist with rising costs. 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 will be 0%.
<b>Death-in-Service Benefit</b>	If you die while you are an active member ("in service"), your beneficiary or your spouse, minor child or parent may be eligible for a death-in-service benefit in addition to any life insurance benefits you may have.
<b>Disability</b>	If you are eligible to be considered for disability retirement and retire on disability, the retirement multiplier will be 1.7% on all service credit, regardless of when it was earned, purchased or granted, or you may be covered under the Virginia Sickness and Disability Program (VSDP). Learn more about VSDP at <a href="http://varetire.org/vsdp">varetire.org/vsdp</a> .
<b>Unreduced Service Retirement Eligibility</b>	Age 65 if you have at least five years (60 months) of service credit, or at age 50 if you have at least 30 years of service credit.
<b>Reduced Service Retirement Eligibility</b>	Age 55 if you have at least five years (60 months) of service credit, or age 50 if you have at least 10 years of service credit.
<b>Employer Contribution</b>	Your employer makes a separate contribution to VRS toward funding current and future benefits for all covered employees. Members are not eligible for a refund of the separate employer contribution.
<b>Mandatory Retirement Distribution</b>	If you defer retirement and do not apply for retirement by April 1 following the calendar year in which you turn age 73, VRS will pay you a retirement benefit (Basic Benefit option), as required by law. If you are not vested, you will receive a refund of your member contribution account balance, excluding any member contributions made by your employer to your account after July 1, 2010, and the interest on these contributions.

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<b>Normal Service Retirement Age</b>	Age 65.
<b>Prior Service Credit</b>	Eligible prior service includes federal and other 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, if offered by your employer. Visit <a href="http://myVRS.varetire.org">myVRS.varetire.org</a> to learn more.
<b>Retirement Contributions</b>	You contribute 5% of your creditable compensation each month to your member contribution account through a pretax salary reduction. Your contributions are tax-deferred until you withdraw them as part of your retirement benefit or as a refund.  The <i>Code of Virginia</i> does not allow VRS members to borrow or withdraw funds from their member contribution accounts. You can take a refund of your member contribution account when you leave covered employment.  Your employer makes a separate contribution to VRS for all covered employees. VRS invests contributions to provide for your future benefit payment.
<b>Service Credit</b>	Service credit has monetary value when it is used to calculate your retirement benefit or if you take a refund of your member contributions and interest. You earn service credit for each month you are reported in a covered position. Service credit can include credit for prior service earned, purchased or granted.
<b>Service Retirement Multiplier</b>	A service retirement multiplier is a factor that determines how much of your average final compensation will be used to calculate your retirement benefit. For service retirement, your retirement multiplier is 1.7%.
<b>Vesting</b>	You become vested when you have at least five years (60 months) of service credit. Vesting means you are eligible to qualify for service retirement if you meet the age and service requirements for your plan. You also must be vested to receive a full refund of your member contribution account balance (contributions and interest accrued) if you leave employment and request a refund.

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