Virginia Retirement System

Retirement Readiness

CHECKLIST FOR MEMBERS

Use this checklist to prepare for retirement. For more information, see VRS Plan 1, VRS Plan 2 or the Hybrid Retirement Plan on the VRS website.

✓ During your career

Register for a myVRS account.

- ☐ Designate beneficiaries for your defined benefit and life insurance.
- ☐ Initiate a purchase of prior service.
- ☐ View compensation and employment history.
- ☐ Create retirement saving plans.
- ☐ View annual statements, such as the Member Benefit Profile and, if applicable, tax documents.

Register for a DCP Account.

- ☐ Designate beneficiaries for all defined contribution and deferred compensation accounts including the COV 457 Plan, Virginia Cash Match Plan, Hybrid 457 Plan, and Hybrid 401(a) Cash Match Plan.
- ☐ Manage or change your investments.
- ☐ Manage or change your voluntary contributions and voluntary savings.
- ☐ View educational materials about investments.

If your employer offers the Commonwealth of Virginia 457 Deferred Compensation Plan (COV 457 Plan) and Virginia Cash Match Plan, consider signing up to save additional funds for retirement.

- ☐
  - You choose an amount to withhold from each paycheck on a tax-deferred basis.
  - If you are eligible for the Virginia Cash Match Plan, your employer matches 50% of your contribution, up to $20 per pay period.
  - If you are a Hybrid member, you must maximize your voluntary contributions (4%) to the DC component of the Hybrid Plan to be eligible for an employer cash match of your COV 457 Plan contribution.
  - If you already participate, check your savings progress online; you may be eligible for catch-up contributions.

Consider purchasing prior service early in your career. Prior service is a period of eligible service that was not credited to your VRS account. You may purchase a variety of service types, including previous public employment, active duty military service, an eligible period of leave or VRS refunded service.

- ☐
  - Prior service credit counts toward vesting, as well as eligibility for retirement and the health insurance credit. For example, if you have worked four years full-time for the federal government, then become a full-time VRS-covered employee, you can purchase four years of service. Purchased service counts toward vesting and retirement (but not toward additional leave time or salary increases).
  - A new employee has a two-year window of time from the date of hire to purchase service at approximate normal cost before the cost increases considerably to an actuarial equivalent cost (Refunded service is not subject to the two-year window).
  - Approximate normal cost is based on your salary at the time of the purchase so the cost will increase as your salary increases.

Visit the VRS website to use retirement planning tools.

- ☐ Explore the myVRS Financial Wellness program, powered by Enrich, for information on money management, financial best practices, credit, insurance and taxes.
- ☐ Estimate your benefit using the Benefit Estimator with various retirement dates and payout options.
- ☐ Project your retirement budget with the myVRS Retirement Planner to help anticipate expenses and outside sources of income.
- ☐ Access webinars, counseling appointments and details about your plan on the Education and Counseling page.

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✓ Prepare for retirement

- ☐ Estimate your income and expenses using myVRS and create different benefit estimates through the myVRS Benefit Estimator. Create a new benefit estimate any time your circumstances change.
- ☐ Visit the Getting Ready to Retire page for Plan 1 and Plan 2 or for Hybrid members.
- ☐ Download the *Getting Ready to Retire Guide*.
- ☐ Sign up for education courses and counseling and, if eligible, deferred compensation plan educational sessions.
- ☐ Let your human resource office know your retirement plans at least six months before the date you wish to retire.
- ☐ Call VRS at 888-827-3847 if you have questions.

✓ 60-120 days before your retirement date

- ☐ Apply for retirement using myVRS or by filling out and submitting an Application for Service Retirement (VRS-5).
- ☐ Finalize your lump-sum purchase of prior service, if applicable.
- ☐ Log into myVRS to designate or change beneficiaries for life insurance and for the defined benefit.
- ☐ If you are covered under the Virginia Sickness and Disability Program (VSDP) or the Virginia Local Disability Program (VLDP), decide if you want to continue your long-term care coverage into retirement.
- ☐ If you participate in the Optional Group Life Insurance Program, decide whether you want to continue or convert your coverage upon retirement.
- ☐ If you are a state employee, submit the State Health Benefits Program Enrollment Form for Retirees, Survivors and LTD Participants with your retirement application, regardless of whether you are electing or waiving coverage.
- ☐ If you are an employee of a school division or local government, determine your health coverage in retirement, if provided.
- ☐ Determine if your employer provides and if you are eligible for the health insurance credit (HIC).
  - The HIC is a reimbursement to assist retirees with the out-of-pocket expense of health insurance premiums.
  - Use myVRS to request the HIC if:
    - ◊ You are eligible for it but will not receive a monthly retirement benefit payment; or
    - ◊ You will receive a monthly retirement benefit but will not have health insurance premiums deducted from the payments.

Log into your DCP Account to:

- ☐ Ensure your beneficiaries are up to date for each applicable defined contribution account.
- ☐ Set up distributions from each applicable defined contribution account.

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✓Right after you retire

- ☐ If you are a state employee and wish to enroll in the State Retiree Health Benefits Program, you must apply within 31 days of your retirement date by submitting a State Health Benefits Program Enrollment Form For Retirees, Survivors and LTD Participants.
- ☐ If you are covered under VSDP or VLDP and wish to continue your coverage in retirement, you must apply within 60 days of retiring.

Check myVRS to ensure you have used an email address accessible after retirement. Once VRS issues the first benefit payment, myVRS will switch from active member information to retiree information. If you do not set up the account while employed, you may set it up after retiring using information VRS will provide by mail. myVRS allows a retiree to:

- ☐ Update address and contact information
- View benefit payment information
- Manage health insurance premiums
- View the amount of the HIC
- Print income verification
- View tax information
- View COLA information
- Update the payment destination
- View the value of life insurance
- Manage beneficiaries