

# Retiree News

VIRGINIA RETIREMENT SYSTEM   
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## WHEN MIXING WORK WITH RETIREMENT

### Know the VRS Rules

**R**eturning to work can increase your financial options, enable you to start a new career, keep you socially engaged, expand your horizons and help pay for your health insurance or other expenses.

VRS retiree Skip McLamb wanted a less stressful occupation after working a hectic 50- to 60-hour workweek at Virginia Beach Public Schools. Patricia Evans wanted to challenge herself, master new skills and stay social.

“I always knew I’d work after retirement,” Evans says. “I enjoy getting out and being around people.”

If you feel the same way, returning to work may be just what you need. But before you make the leap, make sure you know VRS rules so that you don’t jeopardize your current benefits.

#### Here are some things to keep in mind:

- You can work for any employer not participating in VRS and continue to receive your retirement benefits. Private companies, financial institutions, retail, nonprofits and the federal government do not participate in VRS.

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### Quick Poll: Tell Us What You Think



Let VRS know how you prefer to receive information, what topics you want to hear more about and

your thoughts on VRS retirement resources. Take a quick poll at [varetire.org/RetireePoll](http://varetire.org/RetireePoll).

### COLA Increase Ahead for Eligible Retirees

The VRS Board of Trustees announced a cost-of-living adjustment (COLA) effective July 1 for benefit payments deposited on August 1. Eligible retirees in Plan 1 will see a 2.13 percent increase, and eligible retirees in Plan 2 and the Hybrid Retirement Plan will see a 2.07 percent increase.

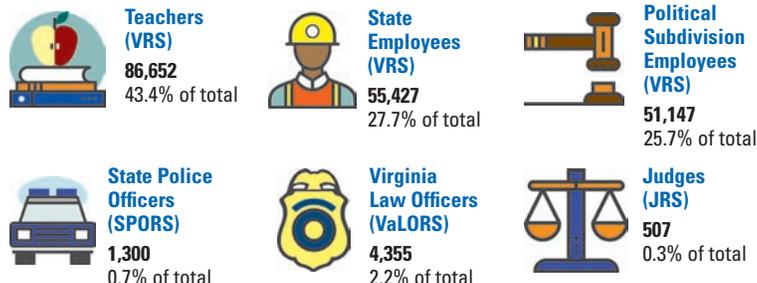


▶ Read more about how the COLA is determined on page 3.

## VRS BY THE NUMBERS

### DISTRIBUTION OF RETIREES AND BENEFICIARIES

AT JUNE 30, 2017



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However, special rules apply if you retire on disability.

- If you take a full-time, VRS-covered position, your employer must begin reporting you to VRS, your retirement benefit stops and you become an active member. When you retire again, your benefit will be recalculated.
- Before taking a new full-time, VRS-covered position, contact VRS to ensure you understand any potential impact to your future benefit.
- If you return to work in a full-time, VRS-covered position and continue to receive retirement benefit payments, you or your employer will be required to repay those payments.
- You can work part-time for a VRS-participating employer and continue to receive your retirement benefit if you work 80 percent or less of the hours required for a full-time position. However, some part-time salaried state positions and some non-adjunct faculty positions with Virginia Public Colleges or Universities are considered full time.

- The Commonwealth of Virginia, including all state agencies and public colleges, community colleges and universities, is considered the same employer. Public school divisions and political subdivisions, including cities, towns, counties, authorities, commissions, districts and regional boards, are separate employers.
- If you return to work in a part-time or temporary, non-covered position with a VRS participating employer, there must be no verbal or written offer of reemployment between you and your employer before you retire, which you and your employer certify is true on your retirement application.

### Why Return to Work?

In a survey conducted by the Employee Benefit Research Institute (EBRI) in association with Greenwald & Associates,\* healthcare and unexpected expenses are the reasons given for returning to work for more than four in 10 retirees. Thirty-two percent of the retirees surveyed have worked for pay since retiring, many because they wanted

to stay active and to have more spending money.

What are the most popular part-time jobs for retirees? A survey by *U.S. News and World Report* found retirees

in a variety of jobs including retail, especially at a favorite shop; online retail; bookkeeping; consulting; tax preparation; and home health care. Other retirees were found working as guides at museums, parks and historic landmarks, or conducting tours and tastings at wineries.

Before you go back to work, retirement advisors suggest you list what you want to gain and the steps you need to take to get there:

## 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 were born on January 1, use the previous year for Social Security eligibility.

- Do you need the money?
- Want to try a new career?
- Do you have an interest you want to pursue?
- Do you miss the social aspect of work?
- How much of your time do you want to spend working?
- How much responsibility do you want to take on?
- Will you need retraining? Another degree?

Once you've taken time to assess your goals, the way forward should be clear.

\*Williams, Alicia R. and S. Kathi Brown. 2017 Retirement Confidence Survey: A Secondary Analysis of the Findings from Respondents Age 50+

“ I always knew I'd work after retirement. ... I enjoy getting out and being around people. ”

VRS RETIREE **PATRICIA EVANS**

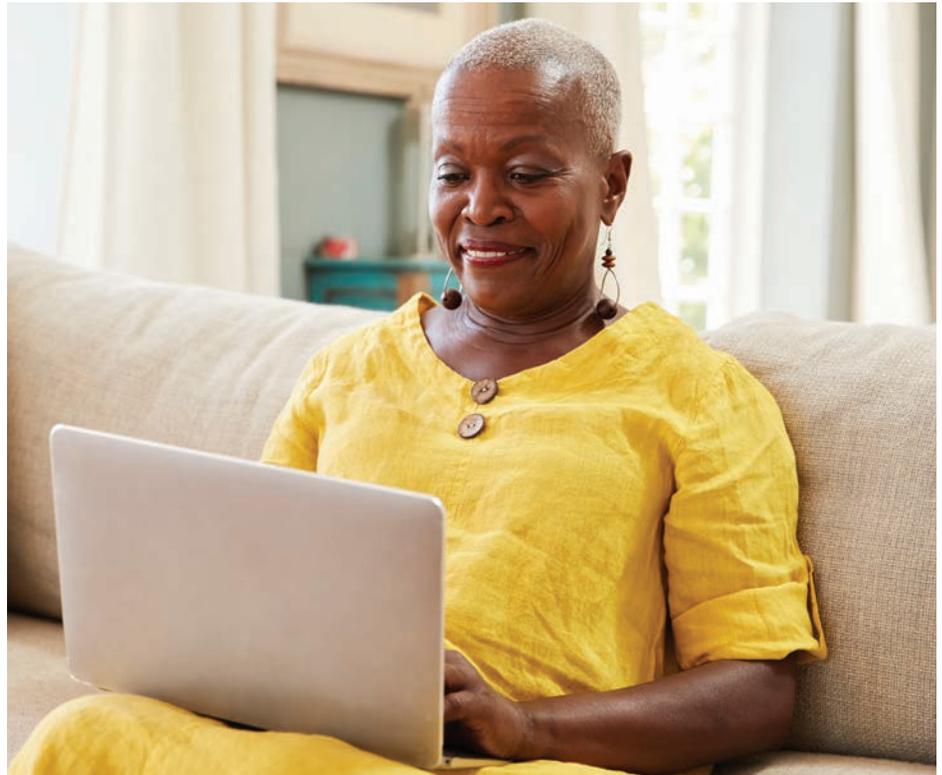
- If you return to part-time, non-covered employment with the employer from which you retired, you must have a break in service of at least one full calendar month from your retirement date during a period you normally would work. Periods of leave with or without pay, including educational leave and sabbaticals, as well as intersession periods, do not count toward the break in service.

## The Factors Behind the COLA

**V**RS provides cost-of-living adjustments (COLAs) to help your retirement benefit keep pace with inflation. For 2018, eligible retirees in Plan 1 will see a 2.13 percent increase, and eligible retirees in Plan 2 and the Hybrid Retirement Plan will see a 2.07 percent increase.

You are eligible for a COLA July 1 after one calendar year (January 1 to December 31) from your retirement date, if you retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit. For example, if you retired on November 1, 2016, your first COLA will be effective July 1, 2018, and appear in your August 1, 2018, benefit payment.

If you retired with a reduced benefit with fewer than 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year (January 1 to December 31) from the date you would have become eligible for an unreduced benefit. For example, if your unreduced retirement eligibility date is October 1, 2020, but you retired on November 1, 2016, and have fewer than 20 years of service credit when you retired, your first COLA will be effective July 1, 2022, and appear in your August 1, 2022, benefit payment. There are some exceptions to these eligibility rules; see the Retiree Handbook for more information on eligibility.



The COLA is based on formulas in the *Code of Virginia* that use the Consumer Price Index-Urban (CPI-U), which is published each year by the U.S. Bureau of Labor Statistics. The CPI-U is a measure of the average change in prices paid by consumers for food, rent, mortgages, clothing, transportation, medical care and fuel. During years of no inflation or deflation, the COLA is 0 percent.

If you retired under the Basic Benefit or Advance Pension Option, the COLA calculation is based on your Basic Benefit amount. If you retired under the Basic Benefit with the Partial Lump-Sum Option Payment (PLOP), Survivor Option or Survivor Option with the PLOP, the COLA calculation is based on your reduced benefit amount.

**The COLA for Plan 1 is calculated using the first 3 percent increase in the CPI-U and half of any additional increase (up to 4 percent), for a maximum COLA of 5 percent.**

— **EXAMPLE** —

If the CPI-U is 3.57 percent, the COLA will be 3.29 percent:  
 $3 \text{ percent} + (1/2 \times .57) = 3.29 \text{ percent.}$

**The Plan 2 COLA is calculated using the first 2 percent increase in the CPI-U and half of any additional increase (up to 2 percent), for a maximum COLA of 3 percent.**

— **EXAMPLE** —

If the CPI-U is 3.57 percent, the COLA will be 2.79 percent:  
 $2 \text{ percent} + (1/2 \times 1.57 \text{ percent}) = 2.79 \text{ percent.}$

# Patricia Evans: Never Stop Learning

**A**fter 34 years as a counselor for schools, hospitals and private agencies, Patricia Evans is still learning... and working.

As soon as she retired, Evans returned to school for a master's degree and then earned a license as a professional counselor. Now she's pursuing a certificate program to work with children diagnosed with autism spectrum disorder.

Energy, determination and the support of her family helped Evans push herself to take chances and embrace an active retirement.

## What is the first thing you did when you retired?

I started thinking about retirement about 15 years ago and began planning the next stage of my life. I knew I wanted to work at least part time and be involved in the community. I needed to look at what else I could do. I believe that life is about being active and proactive, so I went back to school and received a second master's, a behavior specialist degree. I hit a

**“Don't be afraid to step out of your comfort zone, because with strong faith, determination and perseverance you never know where life will take you.”**

roadblock, however, when I took the licensing test. I failed the first time I took it, I think, because of a fear of technology. But I kept at it with the support of my family and I passed!

Now I work as a part-time in-home therapist.

This experience taught me to never be afraid to try new things. If you fail, try again. Don't be afraid to step out of your comfort zone, because with strong faith, determination and perseverance you never know where life will take you.

## Any advice for the newly retired?

My first piece of advice for enjoying your next stage in life is to stay active, even if you have health problems. I belong to a gym and also work out with a close friend who has a personal training business. I participate in a fitness boot camp and swim. My family and I ride our bikes on the Virginia Capital Trail (between Richmond and Williamsburg), and my husband and I hike in the mountains.

Next, it's important to plan, even after retirement. Right now, I'm working on pursuing another certificate. I don't think I will ever be finished with education. I do all this to fight Alzheimer's, which runs in my family. My family recently joined together in an Alzheimer's walk to honor my mom.



Patricia Evans with husband, Mark.

My decisions in life, such as when to retire or change jobs, have never been impulsive but more of an extension of my life and my beliefs, who I am and a positive state of mind. I also have relied heavily on my faith, family and good solid friends.

## Do you have a story to share or advice about life in retirement?

Contact VRS at [proffice@varetire.org](mailto:proffice@varetire.org).

## Any new interests in retirement?

Retirement is the best time in life to try different things. I volunteer at my church and am planning to become involved in a local animal rescue organization. I am a mentor to a young friend from Richmond, encouraging her along her journey of faith and life, tutoring her, assisting

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# Health Insurance Credit

The health insurance credit is a tax-free benefit that reimburses you for the cost of your health insurance premiums. It is a dollar amount added to your monthly retirement benefit. The amount is based on your years of service.

## ARE YOU ELIGIBLE?

Did you retire with at least 15 years of service as a:

 STATE EMPLOYEE	 TEACHER OR ADMINISTRATIVE SCHOOL EMPLOYEE	 GENERAL REGISTRAR OR EMPLOYEE OF A GENERAL REGISTRAR
 CONSTITUTIONAL OFFICER OR EMPLOYEE OF A CONSTITUTIONAL OFFICE	 LOCAL SOCIAL SERVICE EMPLOYEE	 POLITICAL SUBDIVISION EMPLOYEE*

## ARE YOU RECEIVING THE HEALTH INSURANCE CREDIT?



Look under Benefit Payment Summary in your myVRS account to see if you are receiving the health insurance credit. The credit usually is applied automatically to your health insurance premiums if VRS is deducting health insurance premiums from your monthly benefit.



If you are eligible for the credit but not receiving it, send a Request for Health Insurance Credit (VRS-45) to VRS. The form is available at [www.varetire.org/forms](http://www.varetire.org/forms) or by calling 1-888-827-3847.

## WHAT DOES THE HEALTH INSURANCE CREDIT COVER?

- ✓ Individual health plans
- ✓ Coverage as a dependent on a spouse's plan
- ✓ Employer-sponsored health plan, including the State Retiree Health Benefits Program
- ✓ Medicare Part B
- ✓ Dental and vision plans
- ✓ Prescription drug plan, including Medicare Part D

\*You are only eligible if your employer elected to offer the health insurance credit to retirees.

## RETIREE PROFILE PATRICIA EVANS: NEVER STOP LEARNING

CONTINUED FROM PAGE 4

her in obtaining an education and finding a good job as well as buying her first home.

I am passionate about working with children and in particular children with special needs. Once, a student on the autism spectrum scale said, "Mrs. Evans, you speak my language." I believe it is very important to exercise your mind at any age.

### Have VRS resources had any effect on your retirement?

It's always been reassuring to know that I have the VRS benefit as the basis of my retirement income, supplemented with Social Security and other savings. VRS has been helpful in answering my questions and keeping me up-to-date on my benefits.

### What's the most important part of living well in retirement?

It's all about believing you can handle what life throws at you and all about believing in your ability. This new stage of my life has been so exciting and has breathed new life into me.

I guess I'd say, 'Embrace life; don't be afraid to take on challenges and reinvent yourself!'

I feel so blessed to have an amazing husband and family who've supported me every step of my journey, my faith in God where I also found my strength, an amazing group of supportive friends and a mentor of my own, a former colleague who at about the same age as I am, got her doctorate in education. Life has a way of surprising you when you least expect it. Having the right tools helps you take everything in stride.

One last thing. My pastor challenged church members to find a piece of scripture and make it our verse to live by. Mine is Jeremiah 29:11: "I know the plans I have for you."

# Claiming Your myVRS Account and Other Tips for Protecting Your Identity

**V**RS works every day to keep your information secure. You can help by registering for myVRS if you haven't done so already, completing the identity-verification steps and then establishing a password-protected account. Verifying your myVRS account helps prevent someone else from attempting to lay claim to the account fraudulently.

## Other Tips to Protect Your Identity:

- Always use the Logout option to exit myVRS. Don't close your browser to log out of myVRS.
- Don't send personal or confidential information, such as your Social Security number, through email, even when you are logged into your online account. Email is not a secure form of communication.
- Do not use the same password for your myVRS account that you use for your bank account or other online services.
- Change your password regularly.
- Store printed copies of your online account information securely.
- Never use publicly shared computers, such as at coffee shops or libraries, to access your myVRS account.

## Be Cautious of Unsolicited Retirement Counseling Services

Have you been contacted by someone claiming to be from VRS and offering retirement counseling services?

VRS does not use unsolicited calls or emails to offer its services. All correspondence from VRS will be sent by U.S. mail on official letterhead. Also, VRS counselors do not come to members' homes to discuss benefits.



If you are uncertain if a communication originated with VRS, call 1-888-827-3847. You may also request free counseling services by phone or arrange for an in-person appointment at the VRS counseling center in Richmond.

## John Wilson: Pursuing His Passions

**A**fter dedicating much of his life to mastering new skills and continuous learning, John Wilson isn't about to let retirement stop his passion.

Soon after graduating from the University of Montana with a degree in music, he joined the U.S. Navy Band in Washington, D.C., performing at the White House for eight presidents, entertaining at embassy events, playing solos on the trumpet at the Kennedy Center and touring throughout Europe.



He worked at the Pentagon for a year, then began a career in education, teaching band in Fairfax County Public Schools for a number of years. Upon retirement, he pursued a server administration certification so he could troubleshoot computer servers a couple of days a week while continuing to teach band part-time. He believes it was the most fun he ever had, fixing computers during the day and playing music at night.

“Then I moved to Montana where I had grown up and became a professional poker player,” Wilson says.

In six months he won three poker tournaments and won money in 10 other tournaments. Having mastered poker, he turned to writing.

“I decided to write a novel that had been on my mind for quite some time,” he says.

“My Oath and My Honor,” published in 2017, explores how society defines a hero. Wilson dedicated the book to his neighbor, Frank McCauley, who at age 100 in 2016, was the oldest living World War II fighter ace in the United States.

Wilson continues to write and play music. He is currently preparing two trumpet solos for an upcoming municipal band performance, and he's published two more books. “The Honor of Soldiers” is a sequel to his first book, while his third book, “The Oregon Trail: My Timeless Adventure,” retraces his ancestors' journey on the Oregon Trail.

With John Wilson, you never know what's next, but you know it will be an adventure.

**With John Wilson, you never know what's next, but you know it will be an adventure.**



**Join the VRS  
Facebook Community!**

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### YOUR DIRECT DEPOSIT SCHEDULE

JULY – DECEMBER 2018

PAYMENT FOR THE MONTH OF:	DEPOSITED ON:
July	August 1
August	August 31
September	October 1
October	November 1
November	November 30
December	December 31

WHAT DO YOU MEAN BY THAT?

## VRS Terms Explained

VRS may seem to have its own language when it comes to benefits, eligibility and retirement plans. In each issue of *Retiree News*, we explain often-used terms.

### **Covered Employment**

Covered employment is a full-time permanent, salaried position with an employer that participates in the Virginia Retirement System (VRS) or under an optional retirement plan (ORP) administered by VRS. Some part-time permanent, salaried state positions and non-adjunct faculty positions requiring at least 20 hours, but less than 40 hours a week, also are covered under VRS.

### **Non-Covered Employment**

Non-covered employment is a part-time position with a VRS-participating employer. Non-covered positions do not provide eligibility for benefits. Part-time positions typically require 80 percent or less of the hours of comparable full-time permanent positions. Some full-time positions may be considered non-covered if they are temporary and require 80 percent or less of the hours per year that would be considered full-time and permanent for that position.

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