

Judicial Retirement System – JRS Plan 1; JRS Plan 2; JRS Hybrid Retirement Plan

There are important updates to your VRS retirement benefits since the last issue of this handbook was published. Refer to this information when reading your handbook. **Changes are in bold.**

Page 9: Internal Revenue Service (IRS) compensation limits updated in the Note under Basic Benefit.

Note: The Internal Revenue Code limits the amount of annual compensation that may be used to calculate a retirement benefit. The current limits are ~~\$395,000~~ **\$400,000** for members whose membership date is before April 9, 1996, and ~~\$265,000~~ **\$270,000** for members whose membership date is on or after April 9, 1996. If these limits apply to you, contact VRS at 1-888-827-3847 for more information.

Page 39: Additional categories of service eligible for purchase under Types and Purchase Amounts of Prior Service.

Limited Purchase Amounts

You may purchase up to a combined total of 48 months of the following types of prior service. With the exception of some types of active duty military service, the service must not be used to qualify you for a benefit under another retirement plan.

- **VRS service refunded after 1988***
- **Service not reported**

***Note:** If you have previous VRS service refunded before July 1, 1988, complete the **Application for Purchase of Prior Service Credit form (VRS-26)** and send it to VRS.

Page 40: Clarification of purchase limits under Limited Purchase Amounts.

Active duty military service: You may purchase up to ~~an additional~~ 48 months of active duty military service **(in addition to the 48 months of other limited service type)**, provided your discharge is not under dishonorable conditions, was full-time service of at least 180 consecutive days and at the time of purchase it does not qualify you for a military pension in the U.S. Army, Navy, Air Force, Marines, Coast Guard or reserve components. Exception: If you were in the U.S. Armed Forces Reserves or the National Guard, you may purchase up to ~~an additional~~ 48 months of active duty military service **(in addition to the 48 months of other limited service type)**, even if it will be used to qualify you for a military pension.

Page 45: Death-in-Service benefits clarified.

Non-Work-Related Cause of Death

If you die while you are an active member from a non-work-related cause, your named beneficiary or your

spouse, natural or legally adopted minor child or parent will be eligible for a death-in-service benefit according to whether or not you are vested (you have at least five years of creditable service) at the time of your death:

- If you are vested and your spouse, natural or legally adopted minor child or parent is one of your named beneficiaries, or is your beneficiary based on order of precedence (see “Death-in-Service Order of Precedence” in this chapter), he or she will be eligible for a lump-sum payment of any balance in your member contribution account or a monthly benefit to the exclusion of all other primary beneficiaries.
- **If you are vested and your spouse, natural or legally adopted minor child or parent is not one of your named beneficiaries, or is not your beneficiary based on order of precedence, that beneficiary will be eligible for a lump-sum payment only.**
- If you are not vested, either your designated beneficiary or, if none, your beneficiary based on order of precedence will be eligible for a lump-sum payment only.

Page 53: ICMA-RC address has changed for Richmond, Va., office.

Visit the local plan representative at **951 E. Byrd Street, Suite 530, Richmond, VA 23219** ~~919 East Main Street, Suite 1604, Richmond, VA 23219.~~

Page 67: Change in members of the VRS Board of Trustees.

~~Robert L. Greene~~ **Mitchell L. Nason**, Chairman

Diana F. Cantor, Vice Chairman

The Honorable J. Brandon Bell, II

Wallace G. Harris, Ph.D.

W. Brett Hayes

William H. Leighty

O'Kelly E. McWilliams, III

Joseph W. Montgomery

~~Mitchell L. Nason~~

Troilen Gainey Seward, Ed.S.



Virginia
Retirement
System

Judicial Retirement System

JRS Plan 1

JRS Plan 2

JRS Hybrid Retirement Plan



PROVIDING INFORMATION ABOUT YOUR...

retirement
benefits
resources



Judicial Retirement System (JRS)

Handbook for Members in the JRS Plan 1, JRS Plan 2 and JRS Hybrid Retirement Plan

You are covered under JRS Plan 1 if your membership date is before July 1, 2010, you were vested before January 1, 2013, you have not taken a refund and you were appointed or elected to an original term before January 1, 2014.

You are covered under JRS Plan 2 if your membership date is from July 1, 2010, to December 31, 2013, you have not taken a refund and you were appointed or elected to an original term before January 1, 2014. Additionally you are covered under JRS Plan 2 if your membership date is before July 1, 2010, but you were not vested before January 1, 2013, and you were appointed or elected to an original term before January 1, 2014.

You are in the JRS Hybrid Retirement Plan if you were appointed or elected to an original term on or after January 1, 2014.

CONTACT VRS

Website: www.varetire.org

Toll-free: 1-888-VARETIR (1-888-827-3847)

TDD: 804-289-5919

Email: vrs@varetire.org

Important email notice: *Do not send personal or confidential information, such as your Social Security number, by email. VRS will send only non-confidential replies.*

Mailing Address:
Virginia Retirement System
P.O. Box 2500
Richmond, VA 23218-2500

VRS Mission:

VRS delivers retirement and other benefits to Virginia public employees through sound financial stewardship and superior customer service.

Note: The information contained in this document is governed by Title 51.1 of the *Code of Virginia*. This information is intended to be general. It cannot be complete in all details and cannot supersede or restrict the authority granted by the *Code of Virginia*, which may be amended from time to time.



Benefit Information and Planning Resources

JRS Plan 1 and JRS Plan 2 Members

Contact VRS about pension and retirement benefits and related benefits, such as group life insurance.

- Website: www.varetire.org
- Counseling Center: 1-888-VARETIR (1-888-827-3847) to talk with a counselor or schedule an appointment to discuss retirement options, applying for retirement and retiree benefits.
- TDD: 804-289-5919
- Email: member-info@varetire.org
- Hours: Monday – Friday, 8:30 a.m. to 5:00 p.m.
- Mailing address: P.O. Box 2500, Richmond, VA 23218-2500

JRS Hybrid Retirement Plan Members

Defined Benefit Plan Component

Contact VRS about pension benefits and retirement benefits, and related benefits, such as group life insurance.

- Website: www.varetire.org/hybrid

Hybrid Retirement Plan Support Team:

- Toll-free: 1-855-291-2285
- TDD: 804-289-5919
- Email: vrshybridsupport@varetire.org
- Hours: Monday – Friday, 8:30 a.m. to 5:00 p.m.
- Mailing address: P. O. Box 2500, Richmond, VA 23218 -2500

Defined Contribution Component

Contact ICMA-RC, VRS' third-party record keeper, concerning your defined contribution account.

- Contact Investor Services for administrative information, such as deferral elections, investment elections, updating beneficiaries and requesting rollovers or distributions.
- Website: www.varetire.org/hybrid (see Account Access)
- Investor Services: 1-VRS-DC-PLAN1 (1-877-327-5261), select option 1
- TDD: 1-800-669-7471
- Email: InvestorServicesCommonwealthofVA@icmarc.org
- Hours: Monday – Friday, 8:30 a.m.-9:00 p.m.
- Mailing address: 777 N. Capitol Street NE, Suite 600, Washington, DC 20002

Key Contacts

- American Association of Retired Persons:
1-888-OUR-AARP (1-888-687-2277); www.aarp.org
- Anthem Blue Cross/Blue Shield: 1-800-552-2682;
www.anthem.com/cova
- Commonwealth of Virginia
457 Deferred Compensation Plan:
1-VRS-DC-PLAN1 (1-877-327-5261);
www.varetire.org
(select the Defined Contribution Plans tab)
- Group Life Insurance Program: Minnesota Life,
1-800-441-2258
- Internal Revenue Service: 1-800-829-1040;
www.irs.gov
- Medicare: 1-800-MEDICARE (1-800-633-4227);
www.medicare.gov
- Social Security Administration: 1-800-772-1213;
www.ssa.gov
- Virginia Division for the Aging:
1-800-552-3402; www.vda.virginia.gov
- Virginia Department of Human Resource
Management: www.dhrm.virginia.gov
- Virginia Department of Taxation: 804-367-8031;
www.tax.virginia.gov
- Virginia Workers' Compensation Commission:
1-877-664-2566; www.vwc.state.va.us

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Welcome to JRS Plan 1 and JRS Plan 2

Planning Your Financial Future • About JRS Plan 1 and JRS Plan 2 • Benefit Payout Options • If You Leave Employment

Planning Your Financial Future

Welcome to the Judicial Retirement System (JRS). As a member of JRS, you are eligible to qualify for benefits that help you plan for a secure future and protect you and your loved ones throughout your career and after you retire. Your partners are your employer and the Virginia Retirement System (VRS). These benefits include:



- Lifetime monthly retirement benefit.
- Eligibility to qualify for Social Security.
- Opportunity to put aside additional retirement savings through the Commonwealth of Virginia 457 Deferred Compensation and Cash Match Plans.
- Life insurance.
- Disability retirement if you have a non-work-related or work-related illness or injury that prevents you from performing your job and is likely to be permanent.
- Optional long-term care coverage.
- Benefit for your beneficiary or survivor if you die while you are an active member.
- Survivor option if you wish to continue a lifetime monthly benefit to a survivor upon your death after you retire.

You are covered under JRS if you are a:

- Justice or judge of a court of record of the Commonwealth of Virginia.
- Judge of a district court of the Commonwealth of Virginia other than a substitute judge.
- Commissioner of the State Corporation Commission or the Virginia Workers' Compensation Commission.

The Judicial Retirement System *Handbook for Members* provides an overview of your benefits, how to apply for retirement and post-retirement benefits.

About JRS Plan 1 and JRS Plan 2

VRS administers two defined benefit plans for judges: JRS Plan 1 and JRS Plan 2. A defined benefit plan provides a lifetime monthly benefit in retirement based on your age, total service credit and average final compensation. Your benefit is funded through member and employer contributions to VRS, which are invested over your career. VRS holds these funds in a trust protected by the *Constitution of Virginia*. This trust may be used only to pay benefits for VRS members, retirees and beneficiaries.

You are covered under JRS Plan 1 if your membership date is before July 1, 2010, you were vested before January 1, 2013, you have not taken a refund and you were appointed or elected to an original term before January 1, 2014.

You are covered under JRS Plan 2 if your membership date is from July 1, 2010, to December 31, 2013, you have not taken a refund and you were appointed or elected to an original term before January 1, 2014. Additionally, you are covered under JRS Plan 2 if you have a membership date before July 1, 2010, but you were not vested before January 1, 2013, and you were appointed or elected to an original term before January 1, 2014.

What Is Average Final Compensation?

Under JRS Plan 1, average final compensation is the average of your 36 consecutive months of highest creditable compensation as a covered employee. Under JRS Plan 2, average final compensation is the average of your 60 consecutive months of highest creditable compensation as a covered employee.

Creditable compensation is your annual salary, not including overtime pay, payment of a temporary nature or payments for extra duties.

Free, Convenient Resources to Help You Plan a Successful Future

Whether you were just hired or are getting ready to retire, you can take advantage of free educational opportunities on everything from your benefits and money matters to retirement planning. Topics are offered through a variety of educational mediums, including live presentations, seminars, webinars, e-courses and regional meetings. Schedules and online registration are available at www.varetire.org; select Education & Counseling from the Members homepage.

Also sign up for the Deferred Compensation Plan Regional Education Meetings to learn more about planning for financial security, managing your plan and distribution strategies. For more information, select the Defined Contribution Plans tab from www.varetire.org and then Commonwealth of Virginia Deferred Compensation Plan (457).

What Is Covered Employment?

Covered employment is a full-time permanent, salaried position with a Virginia state agency, public college or university, local public school division or political subdivision that has elected to participate in VRS. Some part-time permanent, salaried state positions also are covered under VRS.

Retirement Plan Provisions: JRS Plan 1 and JRS Plan 2

PROVISIONS	JRS PLAN 1	JRS PLAN 2
Average Final Compensation	Average of your 36 consecutive months of highest creditable compensation as a covered employee.	Average of your 60 consecutive months of highest creditable compensation as a covered employee.
Maximum Retirement Benefit	If you serve as a judge and retire from the judicial system or retire from another VRS-covered position, the retirement benefit is capped at 78 percent of average final compensation. Once you earn five or more years of service in another VRS-covered position after leaving judicial service, the 78 percent cap will only apply to JRS service. Your annual retirement benefit cannot exceed 100 percent of average final compensation under any circumstances.	
Member Contributions	<p>Your employer contributes 5 percent of your creditable compensation each month to your member contribution account.</p> <hr/> <p>Your member contribution account accrues 4 percent interest, which is compounded annually on the balance as of the previous June 30. The <i>Code of Virginia</i> prohibits members from borrowing from their member contribution accounts.</p>	You contribute 5 percent of your creditable compensation each month to your member contribution account.
Employer Contribution	Your employer makes a separate contribution to VRS using an actuarially determined rate for all employees it covers under the benefit plans. Members are not eligible for a refund of the separate employer contribution.	
Vesting	You are vested when you have at least five years (60 months) of service credit.	
Service Credit Weighting	<p>If you were appointed or elected to an original term before July 1, 2010, you receive one month of service credit multiplied by a weighting factor for each month you are employed in a JRS-covered position. The weighting factors are:</p> <ul style="list-style-type: none"> • 3.5, if you were appointed or elected to an original term before January 1, 1995 • 2.5, if you were appointed or elected to an original term on or after January 1, 1995, but before July 1, 2010 <p>If you were appointed or elected to an original term between July 1, 2010, and December 31, 2013, you receive one month of service credit multiplied by a weighting factor for each month you are employed in a JRS-covered position. The weighting factors are:</p> <ul style="list-style-type: none"> • 1.5, if you were appointed or elected to an original term and were less than 45 years old • 2.0, if you were appointed or elected to an original term and were at least 45 years old but less than 55 years old • 2.5, if you were appointed or elected to an original term and were at least 55 years old 	<p>If you were appointed or elected to an original term between July 1, 2010, and December 31, 2013, you receive one month of service credit multiplied by a weighting factor for each month you are employed in a JRS-covered position. The weighting factors are:</p> <ul style="list-style-type: none"> • 1.5, if you were appointed or elected to an original term and were less than 45 years old • 2.0, if you were appointed or elected to an original term and were at least 45 years old but less than 55 years old • 2.5, if you were appointed or elected to an original term and were at least 55 years old

Retirement Plan Provisions: JRS Plan 1 and JRS Plan 2

PROVISIONS	JRS PLAN 1	JRS PLAN 2
Service Credit Weighting <i>(continued)</i>	Service earned under JRS is weighted at the time of retirement and is not reflected in your annual Member Benefit Profile. Any service credit you earn under VRS other than in a JRS-covered position is not weighted. However, this service credit will count toward vesting, retirement eligibility and the health insurance credit.	
Normal Retirement Age	Age 65.	Age 65.
Mandatory Retirement Age	<p>Age 73*.</p> <p>The mandatory retirement age of 73 (instead of 70) applies to:</p> <ul style="list-style-type: none"> • Current Supreme Court, Court of Appeals, Workers' Compensation Commission and State Corporation Commission judges as of July 1, 2015 • Circuit, general district and juvenile and domestic relations district judges elected or appointed to an original or subsequent term on or after July 1, 2015. <p>Current judges in these categories who are not reappointed on or after July 1, 2015, will not be eligible for the later retirement.</p> <p><i>*Effective June 1, 2017, age 73 will be the mandatory retirement age for all judges, regardless of when appointed or elected to an original term.</i></p>	
Earliest Unreduced Retirement Eligibility	Age 65 with at least five years of weighted service credit or age 60 with at least 30 years of weighted service credit.	
Earliest Reduced Retirement Eligibility	Age 55 with at least five years of weighted service credit.	
Service Retirement Multiplier	<p>If appointed or elected to an original term prior to January 1, 2013:</p> <ul style="list-style-type: none"> • 1.7 percent <p>If appointed or elected to an original term between January 1, 2013, and December 31, 2013:</p> <ul style="list-style-type: none"> • 1.7 percent on non-JRS service earned, purchased or granted before the date of appointment or election to an original term • 1.65 percent on JRS service earned, purchased or granted on or after the date of appointment or election to an original term 	

Retirement Plan Provisions: JRS Plan 1 and JRS Plan 2

PROVISIONS	JRS PLAN 1	JRS PLAN 2
Other Employment While Working or After Retirement – <i>For more information, see Chapter 7-After You Retire.</i>	As required under the <i>Code of Virginia</i> , if you are a full-time judge, justice or commissioner or a former judge, justice or commissioner receiving a VRS retirement benefit, you cannot appear as counsel in any court of the Commonwealth, the State Corporation Commission or the Virginia Workers' Compensation Commission.	
Cost-of-Living Adjustment (COLA) – <i>During periods of no inflation or deflation, the COLA will be 0 percent. For more information, see Chapter 7-After You Retire.</i>	Matches the first 3 percent increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional 4 percent increase, up to a maximum COLA of 5 percent.	Matches the first 2 percent increase in the CPI-U and half of any additional 2 percent increase, up to a maximum COLA of 3 percent.
Prior Service Credit	<p>If you have prior service, you may be able to purchase this service as credit in your plan.</p> <p>Refunded service:</p> <ul style="list-style-type: none"> • Return of the refunded amount plus interest from the date of refund to the purchase date, using 7 percent interest rate compounded annually. (Available for purchase at any time during active membership.) <p>Other types of eligible service:</p> <ul style="list-style-type: none"> • Approximate normal cost* (up to two years from date of hire or the date you return to active employment after an eligible period of leave). • Actuarial equivalent cost (after two years from date of hire or the date you return to active employment after an eligible period of leave). <p><i>*Members will arrange to purchase prior service at their rate of creditable compensation or average final compensation at the time of purchase, whichever is higher. Eligibility and cost calculations are governed by the Code of Virginia and are subject to change.</i></p>	
Death in Service	If you die before age 55, you are presumed to be age 55 for purposes of calculating your non-work-related benefit.	

Benefit Payout Options

At retirement, you will select a retirement benefit payout option. Those options are the Basic Benefit, Survivor Option, Partial Lump-Sum Option Payment (PLOP) and Advance Pension Option. **The option you elect is irrevocable.** That means you cannot change it after you retire, with the exception of the Survivor Option under certain conditions.

Basic Benefit

The Basic Benefit is a lifetime monthly benefit. The annual amount for a judge appointed to an original term before January 1, 2013, is based on either a) 1.7 percent of your average final compensation multiplied by your total years of weighted service and other service credit at retirement or b) 78 percent of average final compensation, whichever is less.

The annual amount for a judge appointed or elected to an original term between January 1 and December 31, 2013, is based on either a) a 1.7 percent multiplier on non-JRS service earned, purchased or granted before the date of appointment or election and a 1.65 percent multiplier on service earned, purchased or granted after the date of appointment or election or b) 78 percent of average final compensation, whichever is less.

If you retire with a reduced benefit, VRS will first determine the amount of your Basic Benefit and then apply an early retirement reduction factor.

If you serve as a judge and leave JRS service, then retire from another VRS-covered position, the retirement benefit is capped at 78 percent of average final compensation. Once you earn five or more years of service in another VRS-covered position after leaving judicial service, the 78 percent cap will only apply to JRS service. Your annual retirement benefit cannot exceed 100 percent of average final compensation under any circumstances.

The Basic Benefit does not provide a continuation of a benefit to a survivor. However, your beneficiary will be eligible for a lump-sum payment of any funds remaining in your member contribution account upon your death.

What Is Service Credit Under JRS?

Service credit refers to weighted service earned under JRS as well as any other service earned in another VRS-covered position. See the "Retirement Plan Provisions" charts on the previous pages for more information about weighted service under your JRS plan.

Note: The Internal Revenue Code limits the amount of annual compensation that may be used to calculate a retirement benefit. The current limits are \$395,000 for members whose membership date is before April 9, 1996, and \$265,000 for members whose membership date is on or after April 9, 1996. If these limits apply to you, contact VRS at 1-888-827-3847 for more information.

Changing Your Survivor

You can change your survivor only once. If you elect the Survivor Option and need to change your survivor after you retire, call VRS toll-free at 1-888-VARETIR (1-888-827-3847) for assistance.

Beneficiary Payment and the PLOP

If you elect the PLOP with the Basic Benefit, your beneficiary will be eligible for a lump-sum payment of any funds remaining in your member contribution account upon your death. However, because the PLOP is paid from your member contribution account, there may be no balance in your account or the balance may be less than if you elected the Basic Benefit without the PLOP.

Survivor Option

With this option, you elect to receive a lower monthly benefit during your lifetime so that your survivor can receive a lifetime monthly benefit upon your death. If you elect this option, you will choose a whole percentage of your benefit, between 10 percent and 100 percent, to go to your survivor. Your benefit amount will be based on this percentage, your age and the age of your survivor at your retirement date.

You can name any living person as your survivor; you also can name more than one survivor. The Internal Revenue Service (IRS) may limit the amount of your benefit that can go to a non-spouse survivor. For additional information, including a chart on maximum survivor option percentages, contact the IRS toll-free at 1-800-829-1040 or visit www.irs.gov.

After you retire, you can name a new survivor or revert to the Basic Benefit if:

- Your survivor dies.
- Your survivor is your spouse and you divorce with fewer than 20 years of marriage.
- Your survivor is your spouse, you divorce after 20 or more years of marriage and your spouse dies, remarries or consents in writing to a change in benefit.
- You provide VRS a written consent from your survivor giving up claim to a benefit along with proof of your survivor's good health.

Note: If you are divorced and VRS has an Approved Domestic Relations Order (ADRO) on file, your benefit must be paid as directed by the ADRO. For more information about attachments to retirement benefits, see Chapter 7-After You Retire.

Partial Lump-Sum Option Payment

If you work at least one year beyond the date you first become eligible for an unreduced retirement benefit, you may elect to receive a one-time Partial Lump-Sum Option Payment (PLOP). This option reduces your monthly benefit. You may elect the PLOP with the Basic Benefit or Survivor Option.

Qualifying for the PLOP. Weighted service credit, prior service credit or granted service credit counts toward eligibility for unreduced retirement. However, to qualify for a PLOP, you must be working as an active member beyond the date you become eligible for an unreduced retirement benefit. Weighted service credit, prior service credit or granted service credit cannot substitute for this active service.

PLOP amount. You may choose a lump sum equal to one, two or three times the amount of your annual Basic Benefit. The amount depends on how long you work beyond the date you first become eligible for an unreduced retirement benefit, as shown in the following table:

Partial Lump-Sum Option Payment (PLOP) Amounts

Active Service Beyond Unreduced Retirement Eligibility	PLOP Payment
12 months	1 x annual Basic Benefit amount (one-year PLOP)
24 months	1 or 2 x annual Basic Benefit amount (one- or two-year PLOP)
36 months or more	1, 2 or 3 x annual Basic Benefit amount (one-, two- or three-year PLOP)

Taxes on the PLOP. If you have the PLOP paid directly to you, VRS will deduct 20 percent for federal income tax and, if you live in Virginia, 4 percent for state income tax. You can roll over the PLOP to the Virginia Cash Match Plan, if you participate in the Commonwealth's 457 Plan, an Individual Retirement Account (IRA) or another qualified tax-deferred savings plan that accepts rollovers. For more information, read the IRS 402(f) Special Tax Notice available at www.varetire.org/irs402f; or contact a tax advisor or the IRS toll-free at 1-800-829-1040 or www.irs.gov.

Advance Pension Option

With this option, you elect to increase your monthly benefit temporarily until an age you choose, between age 62 and the age you become entitled to a full Social Security benefit. At that point, your benefit will be permanently reduced. You can elect this option with an unreduced retirement benefit or if you retire at age 55 or older and have at least five years of weighted service credit. You cannot elect this option with other benefit payout options.

To figure your benefit amount, VRS will add a percentage of your estimated monthly Social Security benefit to your monthly VRS benefit. The percentage depends on several factors, including your age when you retire and the age you want your benefit to permanently reduce. When the temporary increase ends, your benefit will be reduced by the amount of the estimated Social Security benefit used to determine your temporary increase. However, it will never be reduced by more than 50 percent of your Basic Benefit.

This option does not affect the amount of your Social Security benefit. You also may draw your Social Security when you are eligible for it, regardless of the age you choose for your benefit to reduce. The Advance Pension Option does not provide a continuation of a benefit to a survivor.

If you elect the Advance Pension Option, you must include a Social Security estimate with your retirement application. For more information, contact your human resource office.

If You Leave Employment

If you leave employment and do not retire, you can take a refund of your member contributions and interest, or you can leave your account balance with VRS and become a deferred member.

Moving to Another Covered Position?

If you move to a position covered under VRS, the State Police Officers' Retirement System (SPORS) or the Virginia Law Officers' Retirement System (VaLORS), or to a political subdivision position eligible for enhanced hazardous duty coverage, you will come under the plan provisions of the new position for retirement and other benefits. For more information, review the current member handbooks for Plan 1 or Plan 2 available at www.varetire.org. You also can call VRS toll-free at 1-888-VARETIR (1-888-827-3847) for assistance.

Taking a Refund

If you request a refund and are vested (you have at least five years of weighted service credit), you will be eligible for a full refund of your member contribution account balance. If you are not vested, you will be eligible for a refund of the balance, excluding any employer contributions made to your account after July 1, 2010, and the interest on these contributions. *Exception:* If you are involuntarily separated from employment for causes other than job performance or misconduct, you will receive a full refund of your account balance including any employer contributions and interest.

Refunds are paid no earlier than one full calendar month after you leave all employment with a VRS-participating employer, including non-covered employment. Taking a refund cancels your membership and eligibility for any future benefits.

Note: If you leave employment and take a refund of your member contributions and interest, you will be rehired under the applicable retirement plan if you return to covered employment with no service credit in VRS or no account balance in a Virginia optional retirement plan.

Requesting a refund. Log into your myVRS account at www.varetire.org, and submit an online request for a refund. Allow 45 to 60 days for your refund request to be processed.

Taxes on refunds. If you have your refund paid directly to you, VRS will withhold federal taxes of 20 percent and, if you live in Virginia, state taxes of 4 percent. Any after-tax member contributions in your refund will not be taxed again. If you have your refund paid directly to you before age 59½, the Internal Revenue Service (IRS) may impose an additional 10 percent tax penalty for early withdrawal of member contributions; there are exceptions to this rule.

You can defer taxes by rolling over your refund to an Individual Retirement Account (IRA) or another qualified plan. For more information, read the IRS 402(f) Special Tax Notice available at www.varetire.org/irs402f under Leaving Employment; or contact a tax advisor or the IRS toll-free at 1-800-829-1040 or www.irs.gov.

Becoming a Deferred Member

If you leave your member contributions with VRS, you will become a deferred member. If you are vested, you may be eligible for a future retirement benefit if you meet the age and service requirements for your plan. If you return to covered employment, member contributions and the service credit you earn upon reemployment will be added to your member record. If you are a deferred member and return to JRS-covered employment, the weighting factor applied to your service credit upon retirement will not change.

As a deferred member, you remain eligible to request a refund of your member contributions and interest. You will receive a full or partial refund, as described on the previous page. Before leaving your position, submit a Name and Address Declaration for Deferred Members (VRS-3A). The form is available at www.varetire.org.

Impact on Benefit Coverage

Basic group life insurance. If you are eligible for retirement when you leave employment, some basic group life insurance benefits will continue. If you are not eligible for retirement or if you take a refund of your member contributions and interest, your basic group life insurance coverage will end within 31 days of the end of the month in which premiums were paid. If you die before the end of this period, your beneficiary will receive your natural death benefit.

Optional group life insurance. If you have optional group life insurance coverage and leave employment, you may convert your coverage to an individual policy. Evidence of insurability (proof of good health) will not be required. You must do so within 31 days of your last date of employment; this option is not available after 31 days. Submit a Conversion of Group Life Insurance Enrollment (VRS-35E) to Minnesota Life, the insurer for the Group Life Insurance Program, at P.O. Box 1193, Richmond, VA 23218-1193. If you do not convert your coverage and die within 31 days of the end of the month in which the last premium is paid, your beneficiary will receive your optional life insurance natural death benefit.

Health insurance. Active-employee health insurance coverage will end on the last day of the month in which you leave covered employment. You may elect to extend your health insurance for up to 18 months from this date or convert your coverage to an individual policy. You will pay the premiums. For more information, visit the Department of Human Resource Management website at www.dhrm.virginia.gov or call Anthem Blue Cross/Blue Shield toll-free at 1-800-552-2682.

If You Defer Retirement

If you leave your position and defer retirement, you will not be eligible to enroll in the State Retiree Health Benefits Program when you apply for retirement. For more information about deferring retirement, see Chapter 6-Getting Ready to Retire.

More Information

For more information about life insurance as well as long-term care insurance and death-in-service benefits, see Chapter 4-Other Benefits.



Welcome to JRS Hybrid Retirement Plan

Planning Your Financial Future • About the Hybrid Retirement Plan • Defined Benefit Component • Defined Contribution Component • Choosing Your Investment Path • If You Leave Employment

Planning Your Financial Future

Welcome to the Judicial Retirement System (JRS) for Hybrid Retirement Plan members. Hybrid plan members derive their retirement benefit from the defined benefit component and the defined contribution component. The defined benefit component provides a lifetime retirement benefit based on your age, total creditable service and average final compensation at retirement; VRS manages the investments and related risk for member and employer contributions. The defined contribution component provides a retirement benefit based on member and employer contributions and net investment gains on contributions. You manage the investments and related risks for this component.

As a member of JRS, you are eligible for benefits that help you plan your future and protect you and your loved ones throughout your career and after you retire. Your partners are your employer and the Virginia Retirement System (VRS). These benefits include:

- Lifetime monthly retirement benefit, from the defined benefit component.
- Eligibility to qualify for Social Security.
- Opportunity to put aside additional retirement savings through the Commonwealth of Virginia 457 Deferred Compensation Plan and Cash Match Plans.
- Life insurance.
- Optional long-term care coverage.
- Benefit for your beneficiary or survivor if you die while you are an active member.
- Survivor option if you wish to continue a lifetime monthly benefit to a survivor upon your death after you retire.

You are covered under JRS Hybrid Retirement Plan if you were appointed or elected to an original term on or after January 1, 2014, regardless if vested in VRS Plan 1 or VRS Plan 2, as a:

- Justice or judge of a court of record of the Commonwealth of Virginia.
- Judge of a district court of the Commonwealth of Virginia other than a substitute judge.
- Commissioner of the State Corporation Commission or the Virginia Workers' Compensation Commission.

If you subsequently leave employment but do not take a refund of your member contributions and interest or are maintaining an account balance in an optional retirement plan authorized or administered by VRS, you will be considered a deferred member. If you return to covered employment, you will be rehired under the currently applicable plan.

If you were appointed or elected to an original term on or after January 1, 2014, any previous creditable service you have in VRS Plan 1 or Plan 2 will be used in calculating your retirement benefit under the provisions of those plans.

About the Hybrid Retirement Plan

The VRS Hybrid Retirement Plan consists of two components: a defined benefit component and a defined contribution component.

Defined Benefit Component		Defined Contribution Component		Your Retirement Benefit
Providing the foundation of your future retirement benefit when you qualify. VRS manages the investments and related risk for this component.	+	Providing you tax-deferred savings to build on your benefit under the defined benefit component. You manage the investments and related risk for this component.	=	

VRS administers retirement and other benefit programs, manages the investments of the VRS trust fund and pays benefits to you and your beneficiaries. The defined benefit component provides a lifetime monthly benefit in retirement based on your age, total creditable service and average final compensation. Your defined benefit component is funded through member and employer contributions to VRS, which are invested over your career. VRS holds these funds in a trust protected by the *Constitution of Virginia*. This trust may be used only to pay benefits for VRS members, retirees and beneficiaries.

What Is Average Final Compensation?

Under the Hybrid Retirement Plan, average final compensation is the average of your 60 consecutive months of highest creditable compensation as a covered employee. It is one of the factors used to calculate your retirement benefit under the defined benefit component.

What Is Covered Employment?

Covered employment is a full-time permanent salaried position with a VRS-participating employer. Some part-time permanent salaried state and non-adjunct faculty positions requiring at least 20 hours but fewer than 40 hours a week are also covered under VRS.

VRS also has partnered with ICMA-RC, the record keeper for VRS defined contribution plans, to assist you with understanding your investment options and making investment decisions through the defined contribution component of your plan. The defined contribution component provides a retirement benefit based on member and employer contributions and net investment earnings on contributions. You manage the investments and related risk for this component.

Free, Convenient Resources to Help You Plan a Successful Future

Whether you were just hired or are getting ready to retire, you can take advantage of free educational opportunities on everything from your benefits and money matters to retirement planning. Topics are offered through a variety of educational mediums, including live presentations, seminars, webinars, e-courses and regional meetings. Schedules and online registration are available at www.varetire.org/hybrid, under Education.

Also sign up for the Deferred Compensation Plan Regional Education Meetings to learn more about planning for your financial security, managing your plan and distribution strategies. For more information, visit www.varetire.org/dcplans.

Retirement Plan Provisions: Hybrid Retirement Plan Members

JRS Hybrid Retirement Plan

*Elected or appointed to an original term on or after January 1, 2014,
regardless if vested in VRS Plan 1 or VRS Plan 2.*

PROVISIONS	Defined Benefit Component	Defined Contribution Component
Average Final Compensation	Average of your 60 consecutive months of highest creditable compensation as a covered employee.	Not applicable
Maximum Retirement Benefit	If you serve as a judge and retire from the judicial system or if you retire from another VRS-covered position, the retirement benefit is capped at 78 percent of average final compensation. Once you earn five or more years of service in another VRS-covered position after leaving judicial service, the 78 percent cap will only apply to JRS service. The annual retirement benefit under the defined benefit component cannot exceed 100 percent of average final compensation under any circumstances.	Not applicable
Member Contributions	You contribute a mandatory 4 percent of your creditable compensation each month to the defined benefit component of your plan.	<p>The defined contribution component provides two plans:</p> <ul style="list-style-type: none"> • Hybrid 401(a) Cash Match Plan: You contribute a mandatory 1 percent of your creditable compensation each month. • Hybrid 457 Deferred Compensation Plan: You can contribute up to 4 percent of your creditable compensation each month. You can invest these contributions in a variety of investment options offered by the plan. Contributions are tax-deferred until you leave or retire and withdraw the money from your plan.
Employer Contribution	Your employer makes a separate contribution (actuarially determined rate) directly to VRS on behalf of all covered employees.	Hybrid 401(a) Cash Match Plan: Your employer contributes a mandatory 1 percent as well as matches a portion of any voluntary contributions you make, up to 2.5 percent.

Retirement Plan Provisions: Hybrid Retirement Plan Members

JRS Hybrid Retirement Plan

*Elected or appointed to an original term on or after January 1, 2014,
regardless if vested in VRS Plan 1 or VRS Plan 2.*

PROVISIONS	Defined Benefit Component	Defined Contribution Component
Vesting	<p>You are vested when you have at least five years (60 months) of creditable service.</p> <p>Vesting is one of the requirements for retirement under the defined benefit component. If you leave employment and request a refund, you will receive your own contributions and interest; vesting will be required to receive any contributions made by your employer on your behalf to your member contribution account after July 1, 2010, and the interest on these contributions.</p>	<p>You are immediately vested in any funds that you contribute to the hybrid plan. This includes all voluntary contributions you make to the Hybrid 457 Deferred Compensation Plan as well as the 1 percent mandatory contributions you make to the Hybrid 401(a) Cash Match Plan.</p> <p>You become vested in funds your employer contributes over a period of four years according to the following schedule:</p> <ul style="list-style-type: none"> • If you have fewer than two years of creditable service, you will forfeit the employer contributions and the net investment earnings on these contributions if you take a distribution or a refund of your defined benefit member account. • After two years of creditable service, you will be 50 percent vested in the employer contributions and may be eligible to withdraw 50 percent of these contributions plus net investment earnings. • After three years of creditable service, you will be 75 percent vested in the employer contributions and may be eligible to withdraw 75 percent of these contributions plus net investment earnings. • After four or more years of creditable service, you will be 100 percent vested in the employer contributions and may be eligible to withdraw 100 percent of these contributions plus net investment earnings.
Creditable Service	Includes your weighted judicial service, credit for any service you may purchase, additional service you may be granted and any service you retain from employment in other VRS-covered positions under the defined benefit component of the Hybrid Retirement Plan.	Not applicable

Retirement Plan Provisions: Hybrid Retirement Plan Members

JRS Hybrid Retirement Plan

*Elected or appointed to an original term on or after January 1, 2014,
regardless if vested in VRS Plan 1 or VRS Plan 2.*

PROVISIONS

Defined Benefit Component

Defined Contribution Component

Service Credit Weighting

You receive one month of service credit multiplied by a weighting factor for each month you are employed in a JRS-covered position. The weighting factors are:

- 1.5, if you were appointed or elected to an original term and were less than 45 years old
- 2.0, if you were appointed or elected to an original term and were at least 45 years old but less than 55 years old
- 2.5, if you were appointed or elected to an original term and were at least 55 years old

Service earned under JRS is weighted at the time of retirement. Any service credit you earn under VRS other than in a JRS-covered position is not weighted. However, this service credit will count toward vesting for the defined benefit and defined contribution components, retirement eligibility and the health insurance credit.

Normal Retirement Age

You qualify for an unreduced retirement benefit when you reach age 65 and have at least five years of creditable service or when you reach age 60 with 30 years of creditable service.

You can retire with a reduced benefit as early as age 55 if you have at least five years of creditable service.

Upon retiring or leaving employment, you can withdraw up to 100 percent of your Hybrid 457 Deferred Compensation Plan account balance. You also are eligible to withdraw your Hybrid 401(a) Cash Match Plan account balance based on the vesting schedule.

Withdrawals of your 401(a) employer contributions and net investment earnings on employer contributions are subject to a vesting schedule (see Vesting). There are a variety of distribution options under the defined contribution component.

Mandatory Retirement Age

Age 73*.

The mandatory retirement age of 73 (instead of 70) applies to:

- Current Supreme Court, Court of Appeals, Workers' Compensation Commission and State Corporation Commission judges as of July 1, 2015
- Circuit, general district and juvenile and domestic relations district judges elected or appointed to an original or subsequent term on or after July 1, 2015.

**Effective June 1, 2017, age 73 will be the mandatory retirement age for all judges, regardless of when appointed or elected to an original term.*

Service Retirement Multiplier

1 percent for JRS service beginning on the date of appointment or election to an original term. (This is the case even if you have service in Plan 1 or Plan 2 at the time of your appointment or election. You will retain the applicable multiplier on any covered service outside of JRS.)

Not applicable

Retirement Plan Provisions: Hybrid Retirement Plan Members

JRS Hybrid Retirement Plan

*Elected or appointed to an original term on or after January 1, 2014,
regardless if vested in VRS Plan 1 or VRS Plan 2.*

PROVISIONS	Defined Benefit Component	Defined Contribution Component
Other Employment While Working or After Retirement <i>For more information, see Chapter 6-Getting Ready to Retire</i>	As required under the <i>Code of Virginia</i> , if you are a full-time judge, justice or commissioner or a former judge, justice or commissioner receiving a VRS retirement benefit, you cannot appear as counsel in any court of the Commonwealth, the State Corporation Commission or the Virginia Workers' Compensation Commission. You can work as a part-time judge under certain conditions.	
Cost-of-Living Adjustment (COLA) <i>For more information, see Chapter 6-Getting Ready to Retire</i>	An increase in your retirement benefit under the defined benefit component of your plan. It is calculated using the first 2 percent in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2 percent), up to a maximum COLA of 3 percent. COLAs go into effect on July 1 of the second calendar year after you retire. During years of no inflation or deflation, the COLA will be 0 percent.	Not applicable
Prior Service Credit <i>For more information, see Chapter 3-Enhancing Your Retirement</i>	If you have prior service, you may be able to purchase this service as credit in your plan. Refunded service: <ul style="list-style-type: none"> Return of the refunded amount, plus interest from the date of refund to the purchase date, using 7 percent interest rate compounded annually. (Available for purchase at any time during active membership.) Other types of eligible service: <ul style="list-style-type: none"> Approximate normal cost* (up to two years from date of hire or the date you return to active employment after an eligible period of leave). Actuarial equivalent cost (after two years from date of hire or the date you return to active employment after an eligible period of leave). 	
Death-in-Service Benefits	Your named beneficiary or your spouse, natural or legally adopted minor child or parent may be eligible for a death-in-service benefit under the defined benefit component. The benefit may be a refund of your member contributions and interest, a monthly benefit or both, if the death is work-related. This is in addition to any VRS group life insurance benefits you may have. <i>*Note:</i> You must complete two beneficiary forms: one for the defined benefit component and one for the defined contribution component.	<i>*Members will arrange to purchase prior service at their rate of creditable compensation or average final compensation at the time of purchase, whichever is higher. Eligibility and cost calculations are governed by the Code of Virginia and are subject to change.</i>
		Your named beneficiary or survivor may be eligible for a distribution from your member contribution accounts in the defined contribution component. There are a variety of distribution options. You become vested in funds your employer contributes over a period of four years. <i>(See Vesting)</i>

Defined Benefit Component

The Foundation of Your Hybrid Retirement Plan

The defined benefit component of the VRS Hybrid Retirement Plan provides the foundation of your retirement benefit. The benefit under this component is based on your age, total creditable service and average final compensation at retirement. VRS manages the investments and related risk for member and employer contributions under this component. If you are eligible for retirement, you will receive this benefit monthly over your lifetime. On this foundation you will build retirement income through the defined contribution component of your plan to help meet your retirement goals.

Retirement Contributions

The defined benefit component of the Hybrid Retirement Plan is funded through contributions you make to your member contribution account and a separate contribution your employer makes to VRS on behalf of hybrid-covered employees. These funds are held in a trust protected by the *Constitution of Virginia*, Article X, Section 11. This trust may be used only to administer and pay benefits for VRS members, retirees and beneficiaries.

Your Contributions

You contribute a mandatory 4 percent of your creditable compensation each month to your defined benefit member contribution account on a pre-tax salary reduction basis. Your contributions are tax-deferred until you withdraw them as part of your retirement benefit or as a refund. Your member contribution account accrues 4 percent interest, which is compounded annually on the balance as of the previous June 30. The *Code of Virginia* prohibits borrowing from your member contribution account.

Your Employer's Contributions

The separate contributions your employer makes directly to VRS are based on the payroll of all covered employees. The VRS actuary determines the rate your employer pays. This rate is based on several factors, including the number of employees eligible for benefits; the number of retired employees; and employee salaries, ages and mortality rates and the investment returns. You are not eligible for a refund of the separate employer contributions made to the defined benefit component.

Free, Convenient Resources to Help You Plan a Successful Future

Whether you were just hired or are getting ready to retire, you can take advantage of free educational opportunities on everything from your benefits and money matters to retirement planning. Topics are offered through a variety of educational mediums, including live presentations, seminars, webinars, videos, e-courses and regional meetings. Schedules and online registration are available at www.varetire.org/hybrid, under the Education section.

Face-to-Face Education

Sign up for the Defined Contribution Plans regional education meetings to learn more about planning for financial security, managing your plan and distribution strategies. For more information, select the Defined Contribution Plans tab from www.varetire.org and the Commonwealth of Virginia Deferred Compensation Plan (457).

Benefit Payout Options

What Is Service Credit Under JRS?

Service credit refers to weighted service earned under JRS as well as any other service earned in another VRS-covered position. See the "Retirement Plan Provisions" charts on the previous pages for more information about weighted service under your JRS plan.

At retirement, you will select a retirement benefit payout option. Those options are the Basic Benefit, Survivor Option, Partial Lump-Sum Option Payment (PLOP) and Advance Pension Option. **The option you elect is irrevocable.** That means you cannot change it after you retire, with the exception of the Survivor Option under certain conditions.

Basic Benefit

The Basic Benefit is a lifetime monthly benefit. The annual amount for a judge appointed to an original term on or after January 1, 2014, is based on either a) 1 percent of your average final compensation multiplied by your total years of weighted service and other service credit at retirement or b) 78 percent of average final compensation, whichever is less.

If you retire with a reduced benefit, VRS will first determine the amount of your Basic Benefit and then apply an early retirement reduction factor.

If you serve as a judge and leave JRS service, then retire from another VRS-covered position, the retirement benefit is capped at 78 percent of average final compensation. Once you earn five or more years of service in another VRS-covered position after leaving judicial service, the 78 percent cap will only apply to JRS service. Your annual retirement benefit cannot exceed 100 percent of average final compensation under any circumstances.

The Basic Benefit does not provide a continuation of a benefit to a survivor. However, your beneficiary will be eligible for a lump-sum payment of any funds remaining in your member contribution account upon your death.

Note: The Internal Revenue Code limits the amount of annual compensation that may be used to calculate a retirement benefit. The current limits are \$395,000 for members whose membership date is before April 9, 1996, and \$265,000 for members whose membership date is on or after April 9, 1996. If these limits apply to you, contact VRS at 1-888-827-3847 for more information.

Changing Your Survivor

You can change your survivor only once. If you elect the Survivor Option and need to change your survivor after you retire, call VRS toll-free at 1-888-VARETIR (1-888-827-3847) for assistance.

Survivor Option

With this option, you elect to receive a lower monthly benefit during your lifetime so that your survivor can receive a lifetime monthly benefit upon your death. If you elect this option, you will choose a whole percentage of your benefit, between 10 percent and 100 percent, to go to your survivor. Your benefit amount will be based on this percentage, your age and the age of your survivor at your retirement date.

You can name any living person as your survivor; you also can name more than one survivor. The Internal Revenue Service (IRS) may limit the amount of your benefit that can go to a non-spouse survivor. For additional information, including a chart on maximum survivor option percentages, contact the IRS toll-free at 1-800-829-1040 or visit www.irs.gov.

After you retire, you can name a new survivor or revert to the Basic Benefit if:

- Your survivor dies.
- Your survivor is your spouse and you divorce with fewer than 20 years of marriage.
- Your survivor is your spouse, you divorce after 20 or more years of marriage and your spouse dies, remarries or consents in writing to a change in benefit.
- You provide VRS a written consent from your survivor giving up claim to a benefit along with proof of your survivor's good health.

Note: If you are divorced and VRS has an Approved Domestic Relations Order (ADRO) on file, your benefit must be paid as directed by the ADRO. For more information about attachments to retirement benefits, see Chapter 7-After You Retire.

Partial Lump-Sum Option Payment

If you work at least one year beyond the date you first become eligible for an unreduced retirement benefit, you may elect to receive a one-time Partial Lump-Sum Option Payment (PLOP). This option reduces your monthly benefit. You may elect the PLOP with the Basic Benefit or Survivor Option.

Qualifying for the PLOP. Weighted service credit, prior service credit or granted service credit counts toward eligibility for unreduced retirement. However, to qualify for a PLOP, you must be working as an active member beyond the date you become eligible for an unreduced retirement benefit. Weighted service credit, prior service credit or granted service credit cannot substitute for this active service.

PLOP amount. You may choose a lump sum equal to one, two or three times the amount of your annual Basic Benefit. The amount depends on how long you work beyond the date you first become eligible for an unreduced retirement benefit, as shown in the following table:

Beneficiary Payment and the PLOP

If you elect the PLOP with the Basic Benefit, your beneficiary will be eligible for a lump-sum payment of any funds remaining in your member contribution account upon your death. However, because the PLOP is paid from your member contribution account, there may be no balance in your account or the balance may be less than if you elected the Basic Benefit without the PLOP.

Partial Lump-Sum Option Payment (PLOP) Amounts

Active Service Beyond Unreduced Retirement Eligibility	PLOP Payment
12 months	1 x annual Basic Benefit amount (one-year PLOP)
24 months	1 or 2 x annual Basic Benefit amount (one- or two-year PLOP)
36 months or more	1, 2 or 3 x annual Basic Benefit amount (one-, two- or three-year PLOP)

Taxes on the PLOP. If you have the PLOP paid directly to you, VRS will deduct 20 percent for federal income tax and, if you live in Virginia, 4 percent for state income tax. You can roll over the PLOP to the Virginia Cash Match Plan, if you participate in the Commonwealth's 457 Plan, an Individual Retirement Account (IRA) or another qualified tax-deferred savings plan that accepts rollovers. For more information, read the IRS 402(f) Special Tax Notice available at www.varetire.org/irs402f; or contact a tax advisor or the IRS toll-free at 1-800-829-1040 or www.irs.gov.

Advance Pension Option

With this option, you elect to increase your monthly benefit temporarily until an age you choose, between age 62 and the age you become entitled to a full Social Security benefit. At that point, your benefit will be permanently reduced. You can elect this option with an unreduced retirement benefit or if you retire at age 55 or older and have at least five years of weighted service credit. You cannot elect this option with other benefit payout options.

To figure your benefit amount, VRS will add a percentage of your estimated monthly Social Security benefit to your monthly VRS benefit. The percentage depends on several factors, including your age when you retire and the age you want your benefit to permanently reduce. When the temporary increase ends, your benefit will be reduced by the amount of the estimated Social Security benefit used to determine your temporary increase. However, it will never be reduced by more than 50 percent of your Basic Benefit.

This option does not affect the amount of your Social Security benefit. You also may draw your Social Security when you are eligible for it, regardless of the age you choose for your benefit to reduce. The Advance Pension Option does not provide a continuation of a benefit to a survivor.

If you elect the Advance Pension Option, you must include a Social Security estimate with your retirement application. For more information, contact your human resource office.

Defined Contribution Component

Building Your Retirement Benefit

The defined contribution component of the VRS Hybrid Retirement Plan is based on contributions and net investment returns on contributions. You manage the investments and related risk for this component to build on the retirement benefit provided through the defined benefit component.

Mandatory Contributions and Employer Matching Contributions

The defined contribution component of the Hybrid Retirement Plan provides the Hybrid 401(a) Cash Match Plan. You contribute a mandatory 1 percent of your creditable compensation each month to your 401(a) plan account. Your employer also contributes a mandatory 1 percent as well as matching contributions on any voluntary contributions you make, which are deposited to this account. You invest these contributions through your hybrid 401(a) plan.

Employee Voluntary Contributions

The defined contribution component also provides the Hybrid 457 Deferred Compensation Plan, which allows you to contribute additional voluntary contributions tax-deferred until you leave or retire and withdraw the money from your plan. The maximum amount of voluntary contributions you can contribute is 4 percent of your creditable compensation. You may be able to contribute additional money to a supplemental defined contribution plan.

Defined Contribution (DC) Component Contributions			
Employee Mandatory Contributions Hybrid 401(a)	Employer Mandatory Contributions Hybrid 401(a)	Employee Voluntary Contributions Hybrid 457	Employer Matching Contributions Hybrid 401(a)
1.00%	1.00%	0.00%	0.00%
		0.50%	0.50%
		1.00%	1.00%
		1.50%	1.25%
		2.00%	1.50%
		2.50%	1.75%
		3.00%	2.00%
		3.50%	2.25%
		4.00%	2.50%

Online Access

Manage your defined contribution plans online through the Account Access Log-in at www.varetire.org/hybrid.

Hybrid Retirement Contributions

To recap, the chart below provides an overview of the contributions that you and your employer make to your retirement plan.

Total Possible Hybrid Retirement Plan Contributions			
Your Contributions		Your Employer's Contributions	
Defined benefit mandatory contributions	4.00%	Defined benefit mandatory contributions	Actuarially determined rate
Defined contribution mandatory contributions	1.00%	Defined contribution mandatory contributions	1.00%
Defined contribution voluntary contributions if you contribute the maximum amount	Up to 4.00%	Defined contribution employer matching contributions if you contribute additional voluntary contributions	Up to 2.50%
Total Possible Member Contributions	9.00%	Total Employer Contributions	Actuarially determined rate including up to 3.50% to the DC component of the Hybrid Retirement Plan

Increasing your voluntary contributions. You can change the amount of your voluntary contributions at any time in increments of 0.5 percent. If you request a change up until the 15th of the last month of the quarter (March, June, September and December), it will go into effect in the next quarter; if you request a change after the 15th, it will go into effect in the subsequent quarter.

Example: You are currently contributing 1.5 percent in voluntary contributions and want to increase your voluntary contribution to 2.0 percent. If you request an increase by 4 p.m. on March 15 (or earlier), it will take effect April 1; if you request an increase on March 16, the increase will take effect July 1, which is the beginning of the following quarter.

Auto-Escalation of Voluntary Contributions

The Hybrid Retirement Plan includes an auto-escalation feature that will automatically increase your voluntary contributions by 0.5 percent every three years, beginning January 2017. This feature is independent of your membership date. The automatic increase will continue until you reach the maximum 4 percent in voluntary contributions. Before each auto-escalation date, members will receive opt-out information.

EXAMPLES

Ellen

Ellen's hybrid plan membership date is March 1, 2014. Her first automatic 0.5 percent increase will occur when auto-escalation goes into effect on January 1, 2017. Her next automatic 0.5 percent increase will occur on January 1, 2020, and so on every three years until she reaches the maximum 4 percent in voluntary contributions or opts out.

Steve

Steve's hybrid plan membership date is November 1, 2019. His first automatic 0.5 percent increase will occur on January 1, 2020. His next automatic 0.5 percent increase will occur on January 1, 2023, and so on every three years until he reaches the maximum 4 percent in voluntary contributions or opts out.

Rollovers to Your Plan

You can roll over money from other plans in which you are eligible to take distributions to your Hybrid 457 Deferred Compensation Plan. A rollover is a contribution of a pre-tax, lump-sum payment to another qualified plan.

A rollover allows you to continue to defer income taxes until you withdraw the money from your plan.

Eligible plans:

- 401(a) plan other than the Hybrid 401(a) Cash Match Plan (you cannot roll over money from other plans to your hybrid 401(a) plan)
- 401(k)
- 457(b) and 403(b) plans
- Federal Thrift Savings Plan
- Traditional Individual Retirement Account (IRA)

Vesting

Vesting in your contributions to your Hybrid 457 Deferred Compensation Plan is immediate. Upon retiring or leaving employment, you can withdraw 100 percent of your hybrid 457 plan account balance.

You also are eligible to withdraw from your Hybrid 401(a) Cash Match Plan balance upon retiring or leaving employment. Withdrawals of your 401(a) employer contributions and net investment earnings on employer contributions are subject to the following vesting schedule:

Employer Contribution Vesting Schedule		
Years of Creditable Service	Vesting Schedule	Allowable Withdrawals
One year	You will be 0 percent vested in the employer contributions.	You will forfeit the employer contributions and the net investment earnings on these contributions if you take a distribution.
Two years	You will be 50 percent vested in the employer contributions.	You may be eligible to withdraw 50 percent of these contributions plus net investment earnings.
Three years	You will be 75 percent vested in the employer contributions.	You may be eligible to withdraw 75 percent of these contributions plus net investment earnings.
Four or more years	You will be 100 percent vested in the employer contributions.	You may be eligible to withdraw 100 percent of these contributions plus net investment earnings.
Credit for prior service you may purchase or additional service you may be granted counts toward the service required for vesting in your 401(a) employer contributions and net investment earnings on employer contributions. For more information, see Purchase of Prior Service (see Chapter 3-Enhancing Your Retirement).		

Choosing Your Investment Path

The defined contribution component allows you to accumulate contributions and net investment earnings on contributions to build on your retirement benefit under the defined benefit component. You manage the investments and related risk for this component of your plan.

The investment options for the defined contribution component are organized into three pathways to make it easier for you to implement your investment decisions according to your knowledge of investments and investment style. The path approach is flexible; you do not need to choose just one path or investment option. You can mix and match investment options within each or among paths to help you meet your objectives. You also can move existing balances between investment paths as well as change how your future contributions are invested.

The Target Date Portfolios included in the Do-It-For-Me Path serve as the default investment for members who choose not to make an election on their own. These investments provide a simple way to save for retirement by offering the ease and convenience of a professionally managed, diversified portfolio in one easy step. While target date portfolios offer a simple investing solution, you should continue to monitor your plan account and increase contributions to stay on track with your retirement objectives. Learn more about these options and others available to you online at www.varetire.org/hybrid under the Investments section.

VRS has contracted with ICMA-RC as the third-party record keeper for the defined contribution component of your plan. ICMA-RC's services include education and counseling about your investments as well as distribution options and other topics to help you maximize the features of the defined contribution component in support of your retirement goals. For more information, call toll-free 1-VRS-DC-Plan1 (1-877-327-5261, select option 1) and ask to speak to an Investor Services Representative.

Understanding Investment Basics

Managing your investments through the defined contribution component of the Hybrid Retirement Plan includes managing risk. You decide how to invest your money and assume all risk associated with your investments.

Understanding risk and other investment basics can help you design an investment strategy related to your personal circumstances, including your age, income sources, when you expect to retire and your tolerance for risk, consistent with your retirement income needs.

What Are Net Investment Earnings?

Net investment earnings include investment gains and losses on contributions.

1 Do-It-For-Me Path

Includes a series of target date portfolios for participants who prefer a pre-mixed portfolio that is already diversified. Participants select portfolios based on a projected retirement date and individual needs.

2 Help-Me-Do-It Path

Includes a carefully selected menu of 11 funds for participants who prefer to take a more active role in investing and want to construct a portfolio that addresses their individual needs.

3 Do-It-Myself Path

Includes a self-directed brokerage account (SDBA) for those who believe they are skilled and knowledgeable about investments. Investments include mutual funds, exchange-traded funds (ETFs) and individual securities.

Types of Risk

Investing involves risk that can result in the loss of money over short or long periods of time.

Risks include but are not limited to:

- **Market:** The risk that the price of securities in a fund will rise or fall, sometimes rapidly or unpredictably, due to factors such as real or perceived adverse economic conditions, political developments and/or investor sentiment generally. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Stocks generally have greater price volatility than bonds (see Asset Classes).
- **Inflation:** The risk that your account will lose value because your returns are not outpacing the cost of living.
- **Longevity:** The risk that you will live longer than expected, with the potential result that you run out of money before you die.
- **Interest rate:** The risk that if interest rates rise, bonds will decline in value.
- **Income:** The risk that a fund's income will decline due to falling interest rates.
- **Default (credit):** The risk that an issuer will fail to pay interest or principal when due or in a timely manner, or that negative perceptions of an issuer's ability to make such payments, will cause the price of the security to decline.
- **Business:** The risk that an investment will lose value because of a decline in a specific company or industry.
- **Country:** The risk that domestic events, laws and/or regulations will negatively impact a country's securities markets.
- **Currency:** The risk that the value of a foreign investment, measured in U.S. dollars, will have a negative impact on fund returns because of unfavorable changes in currency exchange rates.

Asset Allocation and Diversification

Asset allocation and diversification are strategies that can help balance the risk-reward trade-off consistent with your retirement objectives:

- **Asset allocation:** Assigning specific percentages of your investments to different asset classes (see next section) according to your financial goals, risk tolerance and investment time horizon.
- **Diversification:** Involves spreading your money among different securities, sectors, industries and strategies within a number of asset classes.

Asset allocation and diversification do not guarantee a profit or protection against loss.

Asset Classes

An asset class is a group of securities that typically behave similarly in the marketplace when compared to other groups of securities. The most well-known asset classes are stocks, bonds, cash equivalents and stable value investments. Within each class is a range of investment types or sub-asset classes, each with its own risk factors.

Stocks. By investing in stocks, also called equity investments, you are buying shares of ownership in companies. Stocks may have a higher potential for growth over the long term but carry a higher degree of risk.

One way of classifying stocks is through market capitalization. Market capitalization, or market cap, measures a company's size by multiplying the number of shares outstanding (shares currently owned by investors) by the stock's current market price per share. For example, if a company has 10 million shares outstanding at a price of \$50 per share, the company market cap is equal to \$500 million. Market cap size is often categorized as large ("large cap"), medium ("mid-cap") and small ("small cap").

Bonds. By investing in bonds, also called fixed-income investments, you are loaning money to an organization, such as a corporation or government, in exchange for interest payments. Although bond values fluctuate, they ordinarily do not fluctuate as much as stocks. Bond investment options may help offset the higher risk of stocks in a more aggressive portfolio. They also may help generate higher income than money market instruments in a more conservative investment portfolio.

Cash equivalents and stable value investments. Cash equivalents, such as money market funds and U.S. Treasury bills, are short-term securities that pay interest. Their objectives are current income and preservation of capital. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. While cash equivalent investments have a place in many portfolios, their returns may not outpace inflation. Stable value investments seek to provide safety of principal while earning interest income and providing liquidity. Stable value funds typically invest in short to intermediate duration, high-quality bonds.

For more information about investing, refer to the Investment Guide available at www.varetire.org/hybrid under Publications.

Distributions

Upon Retiring or Leaving Employment

Any distributions you or your named beneficiary or survivor receives will be subject to federal and state income taxes. The Internal Revenue Service (IRS) also may impose an additional 10 percent tax penalty for distributions received before age 59½; there are exceptions to this rule.

More Information

See the IRS 402(f) Special tax notice available at www.varetire.org/irs402f; or contact a tax advisor or the IRS toll-free at 1-800-829-1040 or www.irs.gov.

A distribution is a payment from your defined contribution component accounts, which you may request upon retiring or leaving employment. You can take a distribution from your Hybrid 401(a) Cash Match Plan and/or your Hybrid 457 Deferred Compensation Plan. Distributions of your 401(a) employer contributions and net investment earnings are subject to a vesting schedule.

Distributions begin following a bona fide break in service from your last day of employment.

A bona fide break in service is a break of at least one full calendar month from your last day of employment that occurs during a period you normally would work. Leave with or without pay, summer breaks, intersession periods, educational leave and sabbaticals do not count toward satisfying this break in service. A required minimum distribution will begin if you have not arranged to receive payments from your plan by age 70½ or when you leave your position, whichever is later.

The Hybrid Retirement Plan does not allow for loans or unforeseen emergency withdrawals.

If You Leave Employment

Defined Benefit Component

If you leave your employment and do not retire, you can request a refund of your member contributions and interest, or you can leave your account balance with VRS and become a deferred member.

Taking a Refund

If you request a refund and are vested (you have at least five years of weighted service credit), you will be eligible for a full refund of your member contribution account balance.

If you are not vested, you will be eligible for a refund of the balance, excluding any employer contributions made to your account after July 1, 2010, and the interest on these contributions. *Exception:* If you are involuntarily separated from employment for causes other than job performance or misconduct, you will receive a full refund of your account balance, including any employer contributions and interest.

Refunds are paid no earlier than one full calendar month after you leave all employment with a VRS-participating employer, including non-covered

employment. Taking a refund cancels your membership and eligibility for any future benefits.

Note: If you leave employment and take a refund of your member contributions and interest, you will be rehired under the applicable retirement plan if you return to covered employment with no service credit in VRS or no account balance in a Virginia optional retirement plan.

Requesting a refund. Log into your myVRS account at www.varetire.org and submit an online request for a refund. Allow 45 to 60 days for your refund request to be processed.

Taxes on refunds. If you have your refund paid directly to you, VRS will withhold federal taxes of 20 percent and, if you live in Virginia, state taxes of 4 percent. Any after-tax member contributions in your refund will not be taxed again. If you have your refund paid directly to you before age 59½, the Internal Revenue Service (IRS) may impose an additional 10 percent tax penalty for early withdrawal of member contributions; there are exceptions to this rule.

You can defer taxes by rolling over your refund to an Individual Retirement Account (IRA) or another qualified plan. For more information, read the IRS 402(f) Special Tax Notice available at www.varetire.org/irs402f; or contact a tax advisor or the IRS toll-free at 1-800-829-1040 or www.irs.gov.

Taking a refund cancels your VRS membership and eligibility for any future VRS benefits, except for the funds remaining in your defined contribution plan.

Becoming a Deferred Member

If you leave your member contributions with VRS, you will become a deferred member. If you are vested, you may be eligible for a future retirement benefit if you meet the age and service requirements for your plan. If you return to covered employment, member contributions and the service credit you earn upon reemployment will be added to your member record. If you are a deferred member and return to JRS-covered employment, the weighting factor applied to your service credit upon retirement will not change.

As a deferred member, you remain eligible to request a refund of your member contributions and interest. You will receive a full or partial refund, as described on the previous page. Before leaving your position, submit a Name and Address Declaration for Deferred Members (VRS-3A). The form is available at www.varetire.org.

More Information

In the event of your death, *Losing a Loved One: Guide for Families* will help your beneficiary or survivor know what to do regarding benefit claims. The brochure is available at www.varetire.org/hybrid under Publications.

Impact on Benefit Coverage

Basic group life insurance. If you are eligible for retirement when you leave employment, some basic group life insurance benefits will continue. If you are not eligible for retirement or if you take a refund of your member contributions and interest, your basic group life insurance coverage will end within 31 days of the end of the month in which premiums were paid. If you die before the end of this period, your beneficiary will receive your natural death benefit.

Optional group life insurance. If you have optional group life insurance coverage and leave employment, you may convert your coverage to an individual policy. Evidence of insurability (proof of good health) will not be required. You must do so within 31 days of your last date of employment; this option is not available after 31 days. Submit a Conversion of Group Life Insurance Enrollment (VRS-35E) to Minnesota Life, the insurer for the Group Life Insurance Program, at P.O. Box 1193, Richmond, VA 23218-1193. If you do not convert your coverage and die within 31 days of the end of the month in which the last premium is paid, your beneficiary will receive your optional life insurance natural death benefit.

Health insurance. Active-employee health insurance coverage will end on the last day of the month in which you leave covered employment. You may elect to extend your health insurance for up to 18 months from this date or convert your coverage to an individual policy. You will pay the premiums. For more information, visit the Department of Human Resource Management website at www.dhrm.virginia.gov or call Anthem Blue Cross/Blue Shield toll-free at 1-800-552-2682.

Death-in-Service Distributions

If you die while you are an active member, your beneficiary may be eligible for a death-in-service benefit under the defined benefit component. The benefit may be a refund of your member contributions and interest, a monthly benefit or both, if the death is work-related. This is in addition to any VRS group life insurance benefits.

Defined Contribution Component

If you leave your position before retirement, you can withdraw 100 percent of your Hybrid 457 Deferred Compensation Plan account balance. You also are eligible to withdraw your Hybrid 401(a) Cash Match Plan account balance. Withdrawals of your 401(a) employer contributions and net investment earnings on employer contributions are subject to a vesting schedule (see Vesting earlier in this chapter). There are several distribution options.

You have the option of leaving your money in your hybrid 401(a) plan and/or your hybrid 457 plan and continuing to manage your investments. If you leave

employment and wish to withdraw your retirement money, you are not required to withdraw all of your account balances. You can withdraw and/or leave your money in one or more of your accounts.

Distribution Options

You can request:

- To receive a full or partial lump-sum distribution of your account balance.
- To receive periodic payments.
- To receive a partial lump-sum distribution combined with periodic payments.
- To purchase an annuity with all or a portion of your account balance.
- To roll over all or a portion of your account balance to another employer's plan or to another qualified plan that accepts rollovers, such as a traditional Individual Retirement Account (IRA). The Hybrid 401(a) Cash Match Plan can be rolled into the Hybrid 457 Deferred Compensation Plan.

To request a distribution, you must submit the appropriate distribution form to ICMA-RC by mail or by fax. The forms are available at www.varetire.org/hybrid under Forms. A separate form is required for distributions from both the Hybrid 457 Deferred Compensation Plan and the Hybrid 401(a) Cash Match Plan. For more information on requesting a distribution, call ICMA-RC toll-free at 1-VRS-DC-Plan1 (1-877-327-5261, select option 1) and ask to speak with an Investor Services Representative.

Death-in-Service Distributions

If you die while you are an active member, your named beneficiary or survivor may be eligible for a distribution from the defined contribution component of the Hybrid Retirement Plan. A variety of distribution options may be available. To designate beneficiaries for the Hybrid 401(a) Cash Match Plan and the Hybrid 457 Deferred Compensation Plan, call ICMA-RC toll-free at 1-VRS-DC-Plan1 (1-877-327-5261, select option 1) and ask to speak to an Investor Services Representative. If beneficiaries are not designated, funds are distributed by order of precedence. (See Chapter 4 for more information.)

Other Contacts

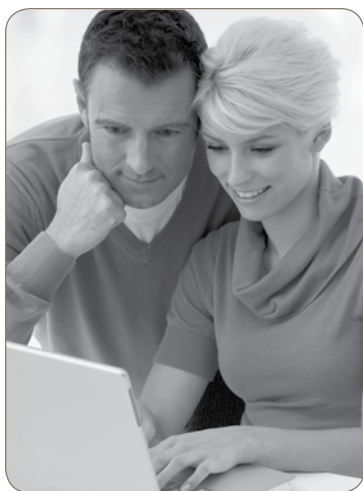
- For more information about distributions from your defined contribution component if you die in service, your beneficiary can call ICMA-RC toll-free at 1-VRS-DC-Plan1 (1-877-327- 5261, select option 1) and ask to speak to an Investor Services Representative.
- For more information about Social Security survivor benefits, your beneficiary or survivor should contact the Social Security Administration toll-free at 1-800-772-1213 or visit www.ssa.gov.
- For more information about workers' compensation survivor benefits, your beneficiary or survivor should contact your organization's human resource office.

3

Enhancing Your Retirement

Commonwealth of Virginia 457 Deferred Compensation Plan •
Purchasing Prior Service

Commonwealth of Virginia 457 Deferred Compensation Plan



Participating in the Commonwealth's 457 Plan is an easy way to save for retirement:

- Your contributions can be deducted automatically from your paycheck.
- You can increase the amount you save at any time, subject to tax code and plan limits.
- You receive an employer cash match equal to 50 percent of your contributions, not to exceed \$20 per pay period, through the Virginia Cash Match Plan.
- You may choose a Roth contribution option if you participate in the Commonwealth's 457 Plan. Roth contributions are made on an after-tax basis to your 457 account.
- You defer paying federal and state income taxes on your contributions until you withdraw the money from your plan with the exception of Roth contributions, which are made on an after-tax basis to your 457 Plan and may be withdrawn tax free provided certain criteria are met.
- You select your investments from the plan's investment options.

Allowable Contribution Amounts

Regular contribution limit. Each year, you may contribute up to 100 percent of your includible compensation to the Commonwealth's 457 Plan, not to exceed the limit set by the IRS, which is updated from time to time. If you are a Hybrid Retirement Plan member, the amount you contribute to the Hybrid 457 Deferred Compensation Plan also counts toward the same IRS limit. If you go on active duty military leave, you also may be able to contribute the amount of deferrals you were unable to make during this period.

Catch-Up Contributions. If you are within three years of your normal retirement age, you are eligible for the Standard Catch-Up, which allows you to contribute up to twice the regular IRS contribution limit or the amount of your Standard Catch-Up credit, whichever is less. If you are age 50 or older, you are eligible for the Age 50+ Catch-Up, which allows you to contribute an additional amount over the

regular IRS contribution limit. You cannot use the Standard Catch-Up and the Age 50+ Catch-Up in the same calendar year. For more information, visit www.varetire.org/457, under Plan Info.

Consolidating Your Retirement Funds

You can use your Virginia Cash Match Plan or the Commonwealth's 457 Plan to consolidate your retirement funds by rolling over money from an Individual Retirement Account (IRA) or another qualified plan to your account. If you leave employment or retire, you also can roll over your 457 Plan balance or contribute a Partial Lump-Sum Option Payment (PLOP), if you elect this option at retirement, to your cash match account.

Enrollment and More Information

When you, as a VRS Plan 1 or Plan 2 member, become employed in a JRS-covered position, you are enrolled automatically in the Commonwealth's 457 Plan, unless you have a 457 Plan account balance from previous covered employment. A deduction of \$20 per pay period and an employer cash match of \$10 per pay period begin within approximately 90 days of your employment date. You can increase your contributions within plan limits. You also can enroll before your deductions begin or opt out of the plan. If you are a Hybrid Retirement Plan member, were hired before January 1, 2008, and do not participate, or if you previously opted out of automatic enrollment, you will not be automatically enrolled but can enroll at any time.

For more information on automatic enrollment and opt-out provisions, self-enrollment, contribution limits, distributions and plan resources, visit www.varetire.org/dcplans. See also Chapter 7-After You Retire for an overview of distribution options.

Purchasing Prior Service

You may be eligible to purchase prior service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in your plan. Purchasing prior service counts toward vesting and eligibility for retirement and the health insurance credit.

To purchase prior service, you must be an active VRS member. You are not eligible to purchase prior service if you are employed in a non-covered position, on a leave of absence without pay, a deferred member or a retiree.

Prior Service Eligible for the Hazardous Duty Supplement

If you are eligible for enhanced hazardous duty coverage and have at least 20 years of hazardous duty service credit at retirement, you may qualify for a supplement to your

monthly retirement benefit until you reach normal Social Security age (or age 65 for members of the Virginia Law Officers' Retirement System). Prior service credit for refunded VRS hazardous duty service or for an eligible period of leave while covered under VRS in a hazardous duty position may count toward eligibility for the hazardous duty supplement, provided you purchase or are granted this service. Other types of prior service you may purchase, such as active duty military service or hazardous duty service with a non-VRS participating employer, do not count toward the supplement.

Types and Purchase Amounts of Prior Service

Unlimited Purchase Amounts

Purchases of VRS-refunded service, no-cost military leave, sick leave or disability credit conversion at retirement and workers' compensation are unlimited.

Refunded Service Cost

Refunded service cost is based on the return of the refunded amount plus interest from the date of refund to the purchase date, using a 7 percent interest rate compounded annually. The interest rate is based on the assumed rate of return of the VRS fund. You may purchase all of your refunded service or a portion at any time while an active VRS member.

- **Refunded service:** If you leave VRS-covered employment and take a refund of your member contributions and interest, your membership and eligibility for any future benefits will be canceled. If you return to covered employment, you will be rehired under the applicable retirement plan for that position. You may purchase the refunded service as service credit in your current plan. The purchase cost is based on the refund amount, plus interest compounded annually from the date of the refund to the date you buy back the service. The interest rate is 7 percent, which is the assumed rate of return of the VRS fund. You may purchase all of your refunded service or a portion at any time while an active VRS member.
- **No-cost military leave:** You can receive prior service credit at no cost for each occurrence of leave from a VRS-covered position for active duty military service. You can apply for no-cost military leave at any time, provided your discharge is not under dishonorable conditions and you return to covered employment within one year of discharge.
- **Ported service:** Ported service is an option for JRS Plan 1 and JRS Plan 2 members only; it is not available to member in the Hybrid Retirement Plan. If you move to a VRS-covered position from a non-covered position with an employer that has a portability agreement with VRS, you may be eligible to transfer retirement assets from the former employer's plan in exchange for VRS service credit. You must make the request within 18 months of beginning VRS-covered employment. You must have been vested with the former employer and employed in a permanent full-time, salaried position. VRS has service portability agreements with the following Virginia public employers: county of Fairfax and cities of Charlottesville, Danville, Newport News, Norfolk, Richmond and Roanoke.
- **Sick leave conversion at retirement:** If you are eligible for a payment of unused sick leave at retirement, you may elect to have this payment converted to service credit that will count toward your benefit calculation.
 - Your employer will deduct the appropriate tax withholding from the payment and then send the funds to VRS for this purchase.

- VRS will calculate the service credit amount represented by the remainder of the payment based on an actuarial equivalent cost. If you wish to apply the full sick leave payment amount toward the conversion, you may make a lump-sum payment to cover the difference between the full payment amount and the amount withheld for taxes.

Disability credit conversion at retirement: If you are eligible for a payment of unused disability credits under the Virginia Sickness and Disability Program (VSDP) at retirement, you may elect to convert the disability credit to service credit toward your benefit calculation. You will receive one month of service for each 173 hours of disability credits you have to convert.

Workers' compensation: If you go on workers' compensation and member contributions are not withheld from your workers' compensation payment or any compensation you receive from your employer, you may be eligible to purchase service credit for this period. For leave without pay, the maximum amount eligible for purchase is 24 months per occurrence.

Limited Purchase Amounts

You may purchase up to a combined total of 48 months of the following types of prior service. With the exception of some types of active duty military service, the service must not be used to qualify you for a benefit under another retirement plan.

- **Educational leave:** Approved leave from a VRS-covered position.
- **Family and Medical Leave Act (FMLA) leave:** Leave—up to 12 workweeks in a 12-month period—for your own serious health condition or that of your immediate family member (spouse, child or parent), both as defined under FMLA and approved by your employer at the time of the leave. The FMLA defines “serious health condition” as an illness, injury, impairment or physical or mental condition that involves a) inpatient care in a hospital, hospice or residential medical care facility, or b) continuing treatment by a health care provider.
- **Federal service (salaried, full-time):** Service in a civilian position with the federal government.
- **Leave for the birth, adoption or death of a child:** Approved leave—up to 12 months maximum per occurrence—from a VRS-covered position. If your spouse is also an active VRS member and was also granted leave for birth, adoption or death of a child, he or she also may purchase this leave.
- **Non-covered service with a VRS-participating employer:** Service in a temporary, part-time or other non-covered position for an employer that participates in VRS. Total hours must be confirmed by the employer where you previously worked.
- **Non-ported service:** If you are a JRS Plan 1 or JRS Plan 2 member and move to a VRS-covered position from an employer that has a portability agreement with VRS, you may be eligible to transfer retirement assets from the employer's plan in exchange for VRS service credit if certain conditions are met. If not all service transfers, you may be eligible to purchase the remainder as non-ported service.

Applying to Purchase Prior Service

Your current employer's human resource office can offer information on the benefits of purchasing service and payment methods. Information is also available on the VRS website, www.varetire.org/PPS.

Approximate Normal Cost

Approximate normal cost is the average cost of one year of VRS service credit. The cost is based on a percentage of your creditable compensation or average final compensation at the time of purchase, whichever is higher.

Actuarial Equivalent Cost

Actuarial equivalent cost represents the amount of money needed in today's dollars to pay for the total value of the increase in your future retirement benefit or earlier retirement eligibility date resulting from purchasing prior service. If you purchase prior service after your two-year approximate normal cost window, your cost will be actuarial.

- **Public service (salaried, full-time) other than VRS:** Service with a Virginia public employer that does not participate in VRS, or with a public employer or a school system of another state or U.S. territory.

If you are eligible, you may purchase additional months above the limited purchase amounts if you have active duty military service or are a vested school superintendent.

Active duty military service: You may purchase up to an additional 48 months of active duty military service, provided your discharge is not under dishonorable conditions, was full-time service of at least 180 consecutive days and at the time of purchase it does not qualify you for a military pension in the U.S. Army, Navy, Air Force, Marines, Coast Guard or reserve components. *Exception:* If you were in the U.S. Armed Forces Reserves or the National Guard, you may purchase up to an additional 48 months of active duty military service, even if it will be used to qualify you for a military pension.

Additional public service for school superintendents: If you are a vested school superintendent, you may purchase an additional 10 years of public service with a Virginia public employer that does not participate in VRS, or with a public employer or a school system of another state or U.S. territory. You have one year from the date you become vested to purchase additional service at the 10 percent rate. After the one-year period, the cost will be actuarial.

Cost Windows

You are eligible to purchase your prior service at any point while an active VRS member. However, you have a two-year window of time to purchase most types of service at approximate normal cost before the cost changes to an actuarial equivalent cost. If prior service eligibility was added to your member record before January 1, 2017, the cost to purchase will be based on the cost window in effect at the time the service was added.

Note: The two-year window does not apply to refunded service, which can be purchased at any time during active membership. Also, see above for additional service purchased by school superintendents.

Within the Two-Year Window

Your two-year cost window to purchase most types of service at approximate normal cost begins upon employment in a VRS-covered position or following an eligible period of leave.

After the Two-Year Window

If you do not purchase the service within your two-year window, your cost shifts to an actuarial equivalent cost.

4

Other Benefits

VRS Group Life Insurance Program • Death-in-Service Benefits

VRS Group Life Insurance Program

Basic Group Life Insurance

You are covered under the Basic Group Life Insurance Program upon employment. Your employer pays the premiums. Your coverage includes:

- Natural death benefit equal to your creditable compensation rounded to the next highest thousand and then doubled. *Example:* If your compensation is \$142,300, that amount would be rounded to \$143,000 and then doubled for a natural death benefit of \$286,000.
- Accidental death benefit equal to twice your natural death benefit. *Example:* If your natural death benefit is \$286,000, that amount would be doubled for an accidental death benefit of \$572,000.

Other basic group life insurance benefits include an accidental dismemberment benefit, a safety belt benefit, a repatriation benefit, a felonious assault benefit and an accelerated death benefit option if you are diagnosed with a terminal condition and have fewer than 12 months to live.

Designating a Beneficiary

You can designate or change your beneficiary for life insurance benefits as well as member contributions and interest in your defined benefit plan while you are an active or deferred member or after you retire. You can name any living person or an entity, such as an eligible trust or charity, as your beneficiary. Submit a Designation of Beneficiary (VRS-2) to VRS. The form is available at www.varetire.org. Be sure to keep a copy for your records. You will not receive a copy or confirmation of receipt. JRS Hybrid Retirement Plan members also need to complete a beneficiary form for the defined contribution component of your plan. An additional beneficiary form is needed if you participate in the Hybrid 457 Deferred Compensation Plan. See Forms at www.varetire.org/hybrid.

More Information

Visit www.varetire.org for additional information about basic and optional coverage under the VRS Group Life Insurance Program. For more information regarding your coverage, also contact Minnesota Life, the insurer for the program, toll-free at 1-800-441-2258.

Primary and contingent beneficiaries:

- You can name more than one primary beneficiary to share in life insurance benefits and any funds remaining in your member contribution account in JRS Plan 1 and JRS Plan 2, and in the defined benefit account of the JRS Hybrid Retirement Plan upon your death, or a different primary beneficiary for each benefit. Hybrid members will designate a beneficiary who will receive member contributions for the defined benefit component and for the defined contribution component, according to the vesting schedule.
- You can name a contingent beneficiary or beneficiaries. If your primary beneficiary or beneficiaries are deceased at the time of your death, your contingent beneficiary or beneficiaries will receive benefit payments according to your designation.

Naming Multiple Beneficiaries

The Designation of Beneficiary (VRS-2) allows you to name up to three individuals as your beneficiaries. If you wish to name more than three, list the additional beneficiaries on the Designation of Beneficiary-Continuation (VRS-2A) and submit this form with the VRS-2.

Changing your beneficiary. VRS is required by law to pay benefits according to the latest beneficiary designation in your VRS record. Review your beneficiary designation after a personal milestone, such as a change in marital status, the birth or adoption of a child or as you near retirement. To change your beneficiary, submit a new Designation of Beneficiary (VRS-2) to VRS as soon as possible. Hybrid members will need to fill out an additional form for the defined contribution component of your plan. See Forms at www.varetire.org/hybrid. If you cannot remember your designation, submit a new VRS-2 or write to Minnesota Life, P.O. Box 1193, Richmond, VA 23218-1193. Neither Minnesota Life nor VRS can provide your designation over the phone.

Beneficiary Designation for the Deferred Compensation Plan

The Designation of Beneficiary (VRS-2) applies only to beneficiary payments of your member contributions and interest and life insurance benefits. For information on designating a beneficiary for the Commonwealth's 457 Plan, visit www.varetire.org/457.

If there is no beneficiary designation on file, or your primary beneficiary or beneficiaries are deceased at the time of your death and there is no contingent beneficiary or beneficiaries, VRS will pay benefits according to the following order of precedence, as required by law:

Order of Precedence

- First, to your spouse
- If no spouse, to your natural or legally adopted children and descendants of your deceased natural or legally adopted children
- If none of the above, to your parents equally or to the surviving parent
- If none of the above, to the duly appointed executor or administrator of your estate
- If none of the above, to your next of kin under the laws of the state where you resided at the time of your death

Note: The Designation of Beneficiary (VRS-2) allows you to elect the order of precedence instead of designating a beneficiary.

Optional Group Life Insurance

You are eligible to elect additional coverage for yourself through the Optional Group Life Insurance Program. If you elect this coverage, you also can cover a spouse or dependent children. Optional group life insurance provides benefits for natural and accidental death or dismemberment. You pay the premiums through payroll deduction.

You may cover yourself for up to four times your annual creditable compensation, not to exceed \$750,000. You can enroll your spouse for up to half the maximum amount of your coverage, not to exceed \$375,000. You can enroll each dependent child who is at least 15 days old for \$10,000, \$20,000 or \$30,000, depending on the coverage option you select for yourself.

Coverage is guaranteed if you enroll in the Optional Group Life Insurance Program within 31 days from your employment date or a qualifying event, such as marriage or the birth or adoption of a child. Proof of good health (evidence of insurability) is required if:

- You apply after 31 days from your employment date or a qualifying event.
- You wish to add your spouse or dependent child to your coverage after 31 days from your employment date.
- You wish to purchase more than \$375,000 for yourself.
- You wish to increase your optional life insurance coverage for yourself or your spouse.
- Your spouse's insurance amount is more than half your salary.

Additional Information About Your Coverage

Coverage while on leave without pay. If you go on leave without pay, your basic group life insurance coverage will continue for up to 24 months, provided the premiums are paid. If you have optional group life insurance, your coverage will continue as long as you pay the premiums and remain covered under the basic group life program.

Coverage while on military leave. If you go on military leave, your basic group life insurance will continue for as long as you are on military leave, provided the premiums are paid.

Irrevocable assignment. You own your rights in your group life insurance coverage. That means you can designate a beneficiary or exercise the accelerated death benefit option of your policy. You may give your ownership rights to another living person or entity. However, **this is an irrevocable assignment**, meaning you cannot



change it once it is made. Before making an irrevocable assignment, contact a legal advisor or Minnesota Life toll-free at 1-800-441-2258 for assistance.

Loans prohibited. You may not borrow from or use your group life insurance coverage to secure a loan.

Imputed income taxes. Imputed income is the cost of life insurance in excess of \$50,000, as determined by the Internal Revenue Service (IRS). It is subject to FICA and income taxes and is reflected in your W-2 you receive from your employer. When you retire, VRS will deduct FICA taxes and report taxable or imputed income for as long as your group life insurance coverage exceeds \$50,000.

Child support liens. The Department of Social Services may file child support liens against proceeds payable under the Group Life Insurance Program. VRS is required to pay life insurance proceeds to the Department of Social Services to satisfy any outstanding child support obligations at your death.

Do You Have a Power of Attorney?

The VRS Durable Power of Attorney (VRS-901) allows you to name a person as your agent to take actions on your behalf in the event you no longer can handle your own affairs. The VRS-901 is for VRS matters only. The form and more information are available at www.varetire.org.



Death-in-Service Benefits

A death-in-service benefit is a payment of any member contributions and interest in your member contribution account to your named beneficiary or your spouse, natural or legally adopted minor child or parent in the event of your death as an active member (while you are in service). The benefit may be a lump-sum payment, a monthly benefit or both. This payment is in addition to life insurance benefits.

Non-Work-Related Cause of Death

If you die while you are an active member from a non-work-related cause, your named beneficiary will be eligible for a lump-sum payment of any funds remaining in your member contribution account, according to whether you are vested (you have at least five years of weighted service credit) at the time of your death:

- If you are vested and your spouse, natural or legally adopted minor child or parent is one of your named beneficiaries, or is your beneficiary based on an order of precedence (see “Death-in-Service Order of Precedence” in this chapter), he or she will be eligible for a refund or a monthly benefit to the exclusion of all other primary beneficiaries.
- If you are not vested, either your designated beneficiary or, if none, your beneficiary based on order of precedence will be eligible for a lump-sum payment only.

Non-work-related benefit calculation. The non-work-related monthly benefit is calculated based on your average final compensation, your total weighted service credit, your age and the age of your eligible named beneficiary at the time of your death. Your age and your beneficiary’s age are calculated as follows:

- If you die before age 55 (age 60 if you are in JRS Plan 2 or the Hybrid Retirement Plan), you are presumed to be age 55 (or age 60) for purposes of calculating the benefit. If your beneficiary is younger than you, the age difference is subtracted from age 55 (or age 60) to arrive at his or her adjusted age. If your beneficiary is older than you, the age difference is added to age 55 (or age 60) to arrive at his or her adjusted age.
- If you die at age 55 or older (age 60 or older if you are in JRS Plan 2 or the Hybrid Retirement Plan), your age and the actual age of your beneficiary are used to calculate the benefit.

Work-Related Cause of Death

A work-related cause of death is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers’ Compensation Act. If you die while you are an active member



Deferring Taxes on Member Contribution Account Payments

Lump-sum payments of pre-tax member contributions and interest are subject to income taxes. The Internal Revenue Service (IRS) also may impose an additional 10 percent tax penalty on member contributions received before age 59½; there are exceptions to this rule.

To defer taxes, the payment can be rolled over to an Individual Retirement Account (IRA) or another qualified plan. For more information, read the IRS 402(f) Special Tax Notice available at www.varetire.org/irs402f; or contact a tax advisor or the IRS toll-free at 1-800-829-1040 or www.irs.gov.

from a work-related cause, your named beneficiary will be eligible for a lump-sum payment of any funds remaining in your member contribution account. In addition, your spouse, natural or legally adopted minor child or parent will be eligible for a monthly benefit, according to an order of precedence (see next page). If this individual also is your beneficiary, he or she will receive both benefits.

Work-related benefit calculation:

- If your spouse, natural or legally adopted minor child or parent is eligible for Social Security survivor benefits, the VRS work-related benefit will be equal to 33 $\frac{1}{3}$ percent of your average final compensation at the time of your death. If he or she is not eligible for Social Security survivor benefits, the VRS work-related benefit will be equal to 50 percent of your average final compensation at the time of your death.
- If your spouse, natural or legally adopted minor child or parent is eligible for a workers' compensation survivor benefit, the VRS work-related benefit will supplement the workers' compensation benefit. The VRS benefit also may be exempt from income taxes.

Death-in-Service Order of Precedence

The death-in-service benefit may be a lump-sum payment of any balance remaining in your member contribution account, a monthly benefit or both. As required by law, VRS will pay a death-in-service benefit according to the following order of precedence if you die from a non-work-related cause and there is no valid beneficiary designation on file or your named beneficiary is deceased. If you die from a work-related cause, your spouse, natural or legally adopted minor child or parent will be eligible for a monthly benefit as well as a lump-sum payment of your member contribution account balance if he or she also is your named beneficiary.

First, to your spouse	If your spouse is eligible for a monthly benefit, the benefit will continue if your spouse remarries. It will end when your spouse dies.
If no spouse, to your natural or legally adopted minor child or children	If you have more than one natural or legally adopted minor child, each child will receive an equal share of the death-in-service benefit. If they are eligible for a monthly benefit, the youngest child's age will be used to calculate the benefit. As each child reaches age 18, his or her share of the benefit will be redistributed equally among the remaining minor children. The benefit will end when the last child reaches age 18.
If none of the above, to your parent or parents	If both parents are living, each parent will receive an equal share of the death-in-service benefit. If they are eligible for a monthly benefit, the youngest parent's age will be used to calculate the benefit. When one parent dies, the other parent will receive the deceased parent's share. The benefit will end when the surviving parent dies.
If none of the above	Any funds remaining in your member contribution account will be paid in a lump sum accordingly: <ul style="list-style-type: none">• To your natural or legally adopted adult child or children• If none, to the descendants of your deceased natural or legally adopted adult child or children• If none, to the duly appointed executor or administrator of your estate• If none, to your next of kin under the laws of the state where you resided at the time of your death

More Information

In the event of your death, *Losing a Loved One: Guide for Families* will help your beneficiary or survivor know what to do regarding benefit claims. The publication is available at www.varetire.org.

In addition:

- For more information about workers' compensation survivor benefits, visit the Department of Human Resource Management website at www.dhrm.virginia.gov or contact your human resource office.
- For more information about Social Security survivor benefits, contact the Social Security Administration toll-free at 1-800-772-1213 or visit www.ssa.gov.
- For more information about income taxes, contact the Internal Revenue Service (IRS) toll-free at 1-800-829-1040 or visit www.irs.gov.

5 Retiring on Disability

Eligibility • Medical Review • Non-Work-Related Disability Retirement Benefit • Work-Related Disability Retirement Benefit • Applying for Disability Retirement • Working After Disability Retirement

Eligibility

More Information

The VRS *Disability Retirement Handbook for Members* provides more details as well as instructions and forms to assist you with the application process. The handbook is available at www.varetire.org.

If you can't work because of an illness or injury that is likely to be permanent, you may be eligible to retire on disability. Under the provisions for VRS disability retirement, a disability may be:

- The result of a physical illness or injury, or a cognitive condition. A cognitive disability is a loss or deterioration in intellectual capacity, such as Alzheimer's disease.
- Non-work-related or work-related. A work-related disability is the result of an occupational illness or injury that occurs on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act.
- A chronic condition, such as diabetes or mental illness, that worsens to the point that you no longer can perform your job duties.

If you were disabled before becoming employed in a covered position, your condition must significantly worsen for you to be considered for disability retirement.

There are no minimum requirements for age or service under VRS disability retirement. You can apply from the first day of covered employment or within 90 days of your last day of employment. If you are on leave without pay, you have up to 24 consecutive months on leave without pay to apply for disability retirement; after 24 months, you are no longer eligible to apply. If you are on active duty military leave, you can apply at any time while on military leave.

Medical Review

As provided in the *Code of Virginia*, VRS has hired an independent medical board to review the medical and job information submitted with applications for disability retirement and to recommend to VRS whether to approve or deny an application. The VRS Medical Board bases its recommendation on

several factors, including whether your condition prevents you from performing your job and is likely to be permanent. You or your doctor must submit all required objective medical evidence for your condition. If your doctor does not submit this information, you can request a copy of your medical records and submit this to VRS; you will be responsible for any costs associated with collecting this information.

The medical board may require an independent examination by a specialist. You will be notified in this event. If you refuse the examination, your disability retirement application may be denied.

Non-Work-Related Disability Retirement Benefit

If you are vested (you have at least five years of weighted service credit) and have a non-work-related disability, the amount of the disability retirement benefit will be the VRS formula amount or the minimum guaranteed benefit, as described below, whichever is higher. If you are not vested, you will be eligible for the minimum guaranteed benefit only.

VRS Formula Amount

The VRS disability formula for a member with five or more years of service is a percentage of Average Final Compensation (AFC) multiplied by the smaller of a) twice the amount of creditable compensation, or b) the amount of creditable service you could have completed at age 60 if you had remained in service. The percentage of AFC used is as follows:

- If you were appointed or elected to an original term before January 1, 2013, the disability retirement multiplier is 1.7 percent.
- If you were appointed or elected to an original term between January 1, 2013, and December 31, 2013, the disability retirement multiplier is 1.65 percent.
- If you were appointed or elected to an original term on or after January 1, 2014, the disability retirement multiplier is 1 percent.

Minimum Guaranteed Benefit

- If you are eligible for a full Social Security benefit, the VRS minimum guaranteed benefit will be equal to $33\frac{1}{3}$ percent of your average final compensation. You will receive the minimum guaranteed benefit or the full VRS formula amount, whichever is higher.
- If you do not qualify for primary Social Security benefits, the minimum guaranteed benefit will be equal to 50 percent of your average final compensation. You will receive the minimum guaranteed benefit or the full VRS formula amount, whichever is higher.

Work-Related Disability Retirement Benefit

Applying for Workers' Compensation

Your human resource office will assist you with your workers' compensation claim. For more information, visit the Virginia Workers' Compensation Commission website at www.vwc.state.va.us and the Department of Human Resource Management (DHRM) website at www.dhrm.virginia.gov.

If you suffer an occupational illness or injury on the job and the cause is determined to be compensable under the Virginia Workers' Compensation Act, you may be eligible to retire on work-related disability. VRS does not determine whether your disability is work-related. You must file a claim under the act and include a copy of the letter from the Virginia Workers' Compensation Commission approving your claim or a copy of a workers' compensation award letter as well as an accident report, if applicable, with your disability retirement application.

Work-Related Disability Benefit Calculation

- If you are eligible for a full Social Security benefit, the VRS minimum guaranteed benefit will be equal to 50 percent of your average final compensation. You will receive the minimum guaranteed benefit or the full VRS formula amount described above in the non-work-related disability section, whichever is higher.
- If you do not qualify for primary Social Security benefits, the minimum guaranteed benefit will be equal to 66 2/3 percent of your average final compensation. You will receive the minimum guaranteed benefit or the full VRS formula amount, whichever is higher.

Important note if you retire on work-related disability: If you do not comply with the provisions of the Virginia Workers' Compensation Act and your workers' compensation benefits end, or if you are approved to work with job modifications, your VRS disability retirement benefit will continue to be offset by the workers' compensation amount. If you are notified of a change or end to your workers' compensation benefits, it is important that you send a copy of the notification letter to VRS at P.O. Box 2500, Richmond, VA 23218-2500 as soon as possible so that your benefit may be adjusted.

Applying for Disability Retirement

Retirement Date and Monthly Benefit Payments

Disability retirement is effective on the first of the month. Your monthly benefit will begin following a bona fide break in service of at least one full calendar month from your retirement date over a period you normally would work.

Service Retirement Pending Approval of Disability Retirement

If you are eligible for service (regular) retirement when you apply for disability retirement, it may be to your advantage to apply for both:

- If you apply for non-work-related disability retirement and your application is denied, you can begin receiving a service retirement benefit, even if you decide to appeal the denial.
- For work-related disability retirement, VRS cannot process your service retirement application while your disability retirement application is pending. However, if your disability retirement application is denied and all appeals have been exhausted, the retirement date and benefit payout option you elect on your service retirement application will be honored.

Is Disability Retirement Your Best Option?

Even if you have a disability that is likely to be permanent, you do not have to retire on disability. If you qualify for service retirement, compare a disability retirement estimate with your service retirement estimate to see which option would best meet your retirement needs. Your human resource office can assist you with benefit estimates.

Working After Disability Retirement

In some cases, you can continue to receive your disability retirement benefit if you work in a temporary, hourly or other non-covered position with a VRS-participating employer. Your disability benefit will end if you return to VRS-covered employment or take a position with any employer that requires the same or similar duties as those you performed before you retired on disability. The *Code of Virginia* also prohibits members retired under the Judicial Retirement System (JRS) from appearing as counsel in any court of the Commonwealth of Virginia, the State Corporation Commission or the Virginia Workers' Compensation Commission.

If you are considering employment after you retire on disability, contact VRS toll-free at 1-888-VARETIR (1-888-827-3847) to determine whether the position would disqualify you from continuing to receive disability retirement benefits.

Important Note if You Return to Covered Employment

If you retire on disability and then return to covered employment, you will be required to retire under service (regular) retirement when you retire again. If you wish to retire on disability, you must resubmit all required disability retirement forms and documents. Your application will be evaluated under the medical review process based on the duties of your new position.

6 Getting Ready to Retire

Retirement Readiness Resources • Applying for Retirement •
Deferring Retirement • Retirement Readiness Checklist

Retirement Readiness Resources

Member Education

How to Register

For JRS Plan 1 and JRS Plan 2 members, go to www.varetire.org and select the Members homepage, then Education & Counseling. For hybrid members, visit www.varetire.org/hybrid, then select Education. For the deferred compensation plan meetings, visit www.varetire.org/dcplans.

Whether you just started work or are ready to retire, you can take advantage of free educational opportunities to learn more about everything from your benefits and money matters to how to apply for retirement. You can select from a variety of educational mediums according to what's most convenient for you. These include live presentations, seminars, webinars, e-courses and regional meetings. Visit www.varetire.org and www.varetire.org/hybrid for more information. Courses include:

- “Are You on Track?” for current members of all plans.
- Retirement planning sessions geared to new and current members, members within five or fewer years of retirement and those ready to retire.
- “Money Matters for Virginians” online financial education courses.
- Courses on individual topics, such as purchase of prior service and retirement payout options.

One-on-One Counseling

Need individual counseling? Meet with a member counselor at VRS at 1111 East Main Street, Richmond, VA 23219. Sessions are offered on a first-come first-served basis. Limited scheduled telephone or in-person appointments are available; call VRS toll-free at 1-888-VARETIR (1-888-827-3847) for more information. Counseling hours are 8:30 a.m.-4 p.m., Monday through Friday. See www.varetire.org for directions to VRS.

Defined Contribution Component Account Access, Counseling and Education Resource Overview for Hybrid Members

Hybrid members also have resources under the defined contribution component to help you plan your retirement:

- The *Hybrid Retirement Plan Features & Highlights Brochure* and the *Investment Guide* at www.varetire.org/hybrid under Publications.

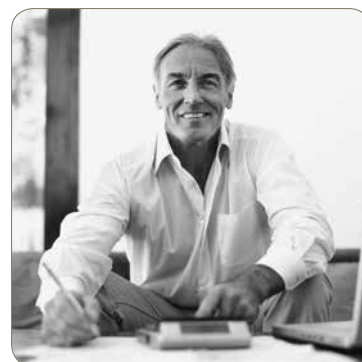


Learn more about everything from banking and home finance to investment basics. Visit www.varetire.org for more information.

- Registered plan representatives are available for one-on-one counseling. Call toll-free 1-VRS-DC-PLAN1 (1-877-327-5261, select option 2) or visit the local plan representative at 919 East Main Street, Suite 1604, Richmond, VA 23219. Counseling hours are 8:30 a.m.-5 p.m., Monday through Friday (appointments are required between noon and 1 p.m.).
- Registered representatives also conduct group seminars on investment options and other information for hybrid members.
- Log into Account Access at www.varetire.org/hybrid to view your defined contribution component account information, manage investments and change your voluntary contribution percentage. If you don't have an account, follow the guidelines on the Account Access page for creating a user ID and password.

Commonwealth of Virginia 457 Deferred Compensation Plan Regional Education Meetings

Be sure to sign up for the deferred compensation plan meetings. The meetings are held at sites around the state and cover topics such as long-term planning for financial security, managing your plan and distribution strategies. Visit www.varetire.org/dcplans for additional information.



The *Getting Ready to Retire Guide for Members in Plan 1 and Plan 2* and the *Getting Ready to Retire Guide for Hybrid Members* provide information to assist you with the application process. The guides are available under Publications at www.varetire.org and www.varetire.org/hybrid. Forms also are available on the website. Retirement forms are fillable. Select the form, complete it online and then print and sign it before submitting.

Applying for Retirement

Retirement Date and Monthly Benefit Payments

Retirement is effective on the first of the month. Your monthly benefit will begin following a bona fide break in service of at least one full calendar month from your retirement date over a period you normally would work.

To begin receiving your benefit payments in a timely manner, submit your application and all required documents to your employer at least 60 days, but not more than four months (120 days), before you want to retire. *Example:* If you wish to retire on July 1, submit your application by May 1. You will receive your first benefit payment on August 1 for the month of July.

Forms and Documents for JRS Plan 1 and JRS Plan 2

Read the directions on all forms carefully and provide all signatures and required documents. An incomplete or incorrect application will delay the processing of your retirement. If you need assistance applying for retirement, your human resource office, a family member or an individual authorized to act on your behalf, such as an agent named under a power of attorney or a legal guardian, may be able to assist you. For more information, call VRS toll-free at 1-888-VARETIR (1-888-827-3847).

Mandatory Retirement Distribution

If you defer retirement and do not apply for retirement by April 1 following the calendar year in which you turn age 70½, VRS will pay you a retirement benefit (Basic Benefit option), as required by law. VRS is not required to pay benefits retroactively; if your address changes, notify VRS as soon as possible by submitting a Name and Address Declaration for Deferred Members (VRS-3A).

If you are not vested, you will receive a refund of your member contribution account balance, excluding any employer contributions made to your account after July 1, 2010, and the interest on these contributions.

For Hybrid Retirement Plan members, you are not required to take a distribution of your defined benefit component when you retire, until you reach age 70½. To request a distribution, submit the appropriate Distribution/Direct Rollover/Transfer Request form to ICMA-RC by mail or by fax.

The forms are available at www.varetire.org/hybrid under Forms.

Your application must include the:

- Application for Service Retirement (VRS-5). Include acceptable evidence of your date of birth, such as a legible copy of your birth certificate. If you are married or separated, have your spouse complete the spouse certification section. Your spouse must sign on or after the date you sign the application.
- Designation of Beneficiary (VRS-2), to ensure your beneficiary designation is up to date. If you elect the Survivor Option, you must submit a VRS-2 to designate a beneficiary for life insurance benefits; you can name your survivor or another individual as your beneficiary.
- Request for Income Tax Withholding (VRS-15).
- Authorization for Direct Deposit of Monthly Benefit (VRS-57).
- State Health Benefits Program Enrollment Form for Retirees, Survivors and LTD Participants (T-20879). You must submit this form with your application or within 31 days of your retirement date, whether you are electing or waiving coverage. Note that if you defer retirement, you will not be eligible to enroll in the program. If you waive coverage, you will not be able to enroll at a later date. For more information about the program, visit the Department of Human Resource Management website at www.dhrm.virginia.gov. See also Chapter 7-After You Retire.

Other forms and documents you may need:

- If you are electing the Survivor Option, acceptable legible evidence of your survivor's date of birth.
- If you are electing the Advance Pension Option, a Social Security benefit estimate. The estimate must be less than 12 months old, assume you will have no future earnings after leaving your position and be based on your Social Security earnings record. Contact your human resource office for assistance with a Social Security estimate.
- Request for Health Insurance Credit (VRS-45), if you are eligible for the credit and VRS will not be deducting retiree health insurance premiums from your monthly benefit payment. If VRS will be deducting premiums, you do not need to submit this form; VRS will apply the credit automatically to your benefit payment. For more information about the program, see Chapter 7-After You Retire.

Forms and Documents for Hybrid Retirement Plan

Defined Benefit Component: Hybrid members will follow the same steps as JRS Plan 1 and JRS Plan 2 members (previous page) to receive the defined benefit portion of the benefit.

Defined Contribution Component: To request a distribution from the defined contribution component, submit the VRS Hybrid 457 Deferred Compensation Plan Distribution/Direct Rollover/Transfer Request Form or the VRS Hybrid 401(a) Cash Match Plan Distribution/Direct Rollover/Transfer Request Form to ICMA-RC, the administrator of the plan: ICMA-RC, Attn: Workflow Management Team, P.O. Box 96220, Washington DC 20090-6220. These forms are available at www.varetire.org/hybrid under Forms.

Make sure your beneficiary designation form for the defined contribution component is current. See Forms at www.varetire.org/hybrid. (Members must complete separate beneficiary forms for the defined contribution and defined benefit components.)

For more information or to request a distribution, call ICMA-RC toll-free at 1-877-327-5261; select option 1 and ask for an Investor Services Representative.



Employer Certification

Submit your application and all required forms and documents to your human resource office. Your employer will review your application, complete the employer certification section and submit your application to VRS. If you apply for retirement after 12 months from the date you leave employment, submit your application to VRS.

Retirement Certificate

Once your application has been processed, you will receive a retirement certificate and the *Retiree Handbook*. The retirement certificate outlines your benefit payments and life insurance information. Keep your certificate and handbook for future reference.

Deferring Retirement

If you leave covered employment and are eligible for retirement, you can defer receiving your retirement benefit until a later date. Submit a Name and Address Declaration for Deferred Members (VRS-3A) before you leave your position. Some basic benefits under the VRS Group Life Insurance Program will continue after you leave your position, provided you do not take a refund of your member contributions and interest. Note that if you defer retirement, you will not be eligible to enroll in the State Retiree Health Benefits Program. For more information about benefit coverage, see Chapter 7-After You Retire.

When you apply for retirement, your benefit will be calculated based on your weighted service credit and average final compensation at the time you left your position. Submit the VRS-5 and other required forms and documents to VRS within 60 days, but not more than four months (120 days), before your retirement date.

Retirement Readiness Checklist

PREPARING FOR RETIREMENT

- ☐ Sign up for member education courses, including sessions related to defined contribution plans, at www.varetire.org and www.varetire.org/hybrid.
- ☐ Let your human resource office know your retirement plans at least six months before the date you wish to retire.

60-120 DAYS BEFORE YOUR RETIREMENT DATE

- ☐ Apply for retirement.
- ☐ If you have eligible prior service and want this service applied to your benefit calculation, see Chapter 3-Enhancing Your Retirement.
- ☐ If you participate in the Optional Group Life Insurance Program, decide whether you want to continue or convert your coverage upon retirement.
- ☐ Submit the State Health Benefits Program Enrollment Form for Retirees, Survivors and LTD Participants with your retirement application, whether you are electing or waiving coverage.

RIGHT AFTER YOU RETIRE

- ☐ Create a myVRS retiree online account. VRS will send you a one-time authentication code in the mail shortly after you retire, which you will use to set up your secure online account. For more information about myVRS, see Chapter 7-After You Retire.
- ☐ If you wish to enroll in the State Retiree Health Benefits Program, you must apply within 31 days of your retirement date.

7 After You Retire

Direct Deposit • Cost-of-Living Adjustment (COLA) • Social Security • Taxes • If You Divorce • Deferred Compensation Plan Options • Insurance in Retirement • Working After Retirement • myVRS

Direct Deposit

VRS deposits your benefit payment directly to the account you designate on the Authorization for Direct Deposit of Monthly Benefit (VRS-57). Benefit payments are deposited on the first of the month for the preceding month's benefit. If the first falls on a weekend or holiday, the payment will be deposited on the last business day of the preceding month. If the net amount of your benefit changes, you will receive an earnings statement from VRS reflecting the new amount.

If you change your financial institution, submit a VRS-57 with the new account information. Do not close your old account until your direct deposit begins in your new account. You can verify your new deposit information through myVRS (see myVRS in this chapter).

For Hybrid Retirement Plan members, the defined contribution component of your plan offers a variety of distribution options. Through ICMA-RC you can request payment via direct deposit or a check. See the Distribution/Direct Rollover/Transfer Request forms at www.varetire.org/hybrid for additional information.

Cost-of-Living Adjustment (COLA)

Cost-of-living adjustments (COLAs) allow your retirement benefit under JRS Plan 1, JRS Plan 2 and the defined benefit component of the Hybrid Retirement Plan 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.

If you retire with an unreduced benefit or with a reduced benefit with at least 20 years of weighted service credit, the COLA will go into effect on July 1 after one full calendar year (January 1 to December 31) from your retirement date. *Example:* If you retire on November 1, 2015, your first COLA will be effective July 1, 2017, and appear in your August 1, 2017, benefit payment.

What Is the Consumer Price Index for all Urban Consumers (CPI-U)?

The U.S. Bureau of Labor Statistics defines the CPI-U as a measure of the average change over time in the prices paid by urban consumers for goods and services, such as food, housing, apparel, transportation, medical care, recreation, education, communication and other goods and services.

Benefit Payout Options and the COLA

The cost-of-living adjustment (COLA) is an annual increase in your retirement benefit. The COLA calculation is based on the payout option you elect at retirement:

- For the Basic Benefit or Advance Pension Option, the COLA is based on the Basic Benefit amount.
- For the Basic Benefit with the PLOP, the Survivor Option or the Survivor Option with the PLOP, the COLA is based on the reduced benefit amount.

During years of no inflation or deflation, the COLA will be 0 percent.

If you retire with a reduced benefit with fewer than 20 years of weighted 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. *Example:* If your unreduced retirement eligibility date is October 1, 2022, but you retire on November 1, 2016, and have fewer than 20 years of weighted service credit when you retire, your first COLA will be effective July 1, 2024, and appear in your August 1, 2024, benefit payment.

For the current COLA for each plan, visit www.varetire.org (select the Retirees section).

Exceptions to COLA Effective Dates

If you are eligible for a COLA under any of the following circumstances, your COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from your retirement date:

- You were within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- You retire on disability.
- You are involuntarily separated from employment for causes other than job performance or misconduct and are eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
- You die in service and your survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

How the COLA Is Calculated

1. The average of the monthly Consumer Price Index for all Urban Consumers (CPI-U) for the most recent calendar year used to determine the VRS COLA is the difference between (i) the average for the calendar year just ended and (ii) the average for the most recent calendar year in which a COLA was paid.
2. This difference is then divided by the CPI-U for the most recent COLA being paid.
3. The result is multiplied by 100 to convert it to a percentage.
4. For JRS Plan 1 members, the COLA 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.
5. For JRS Plan 2 and hybrid plan members, the 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.
6. During years of no inflation or deflation, the COLA is 0 percent.

How Your Benefit Is Paid

When you retire, your benefit is paid first from your member contribution account. After these funds have been paid out, your benefit is paid from the separate contribution your employer makes to VRS and investment earnings.

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

Social Security

You will be eligible for a full Social Security retirement benefit when you reach your normal Social Security retirement age (see chart). You may qualify for a reduced benefit as early as age 62. For more information about Social Security, call toll-free 1-800-772-1213, visit www.ssa.gov or contact your local Social Security Administration office.

Taxes

Your retirement benefit will be subject to federal income taxes and, if you live in Virginia, state income taxes. Any after-tax member contributions in your benefit payment will not be taxed again.

If you do not file a Request for Income Tax Withholding (VRS-15) when you retire, VRS will withhold federal taxes as if you were married with three allowances and state taxes, if applicable, as if you had zero allowances. If you do not want VRS to withhold taxes from your benefit, notify VRS using the VRS-15. Note that you may be responsible for paying estimated taxes or face tax penalties if your estimated tax payments are insufficient. For more information, contact a tax advisor or the Internal Revenue Service (IRS) toll-free at 1-800-829-1040 or www.irs.gov.

VRS does not deduct income taxes for other states. If you retire in Virginia and then move out of state, you can update your tax withholding through your myVRS retiree online account (see myVRS in this chapter) or by submitting a new VRS-15.

1099-R Form

After you retire, you will receive a 1099-R form from VRS each January for the previous calendar year's benefit payments and tax withholdings. You will file this form with your federal and state income tax returns. The 1099-R shows:

- Total amount of your benefit for the previous year.
- Taxable amount of your benefit and the amount that is not taxed, if any, as determined by the IRS.

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

Update Your Tax Withholdings Online

After you retire, you can set up an account through the secure myVRS online system. Through myVRS, you have access to your retirement information. You also can submit changes to your tax withholdings online. For more information, see myVRS in this chapter.



- Total amount of federal income taxes and, if applicable, state income taxes withheld from your benefit during the previous year.
- Total health insurance premiums for the previous year, less any health insurance credit reimbursements you receive. The health insurance credit is a non-taxable benefit and will not be included in your 1099-R. For more information about the health insurance credit, see “Insurance in Retirement” in this chapter.

Imputed income. The cost of VRS group life insurance over \$50,000 on the premiums paid by VRS is called imputed income. The Internal Revenue Service (IRS) considers this amount as income to you and subject to income taxes and FICA (Social Security and Medicare) taxes. If your coverage exceeds \$50,000 when you retire, VRS will automatically withhold FICA taxes and send you a W-2 form each year showing the amount of FICA taxes withheld and the additional taxable income. As your life insurance coverage reduces, the amount of imputed income also will reduce. If your coverage reduces to less than \$50,000, these taxes will no longer be withheld. For more information about the life insurance coverage reduction, see “Insurance in Retirement” in this chapter.

If You Divorce

Approved Domestic Relations Order (ADRO)

In the event of a divorce, your retirement benefit may be regarded as marital property in a property settlement. The *Code of Virginia* authorizes VRS to make a direct payment to a former spouse if he or she is awarded part of your benefit by the court. VRS implements the court decision when it receives a certified copy of an Approved Domestic Relations Order (ADRO). The court, not VRS, decides whether to divide your retirement benefit and how it is to be divided, provided the order is in compliance with the provisions of the *Code of Virginia*. Your attorney should provide VRS a draft ADRO before filing it with the court to ensure the language conforms to VRS’ requirements.

Other attachments. The *Code of Virginia* allows other attachments to your VRS benefit. Examples include IRS tax levies, debt to an employer, child support or other marital rights as stated in an ADRO or divorce decree.

Release of information. VRS will not release information about your benefit to anyone other than yourself without your written authorization, unless your information is subpoenaed.

More Information

Call toll-free 1-VRS-DC-PLAN1 (1-877-327-5261) or visit www.varetire.org/dcplans. See also Chapter 3-Enhancing Your Retirement.

Deferred Compensation Plan Options

If you participate in the Commonwealth of Virginia 457 Deferred Compensation Plan, you have the following options when you retire or leave employment:

Keep your money in your plan. Your pre-tax account continues to be tax-deferred. Your Roth after-tax account can also remain in the plan. You continue to manage your investments. You cannot contribute to the Commonwealth's 457 Plan unless you return to salaried or wage employment with an employer that offers the plan. You are required to take your first minimum distributions by April 1 of the calendar year following the later of: 1) the calendar year in which you reach age 70½, or 2) the calendar year in which you terminate employment from the employer sponsoring your plan.

Request a distribution (payment) from your account. After a bona fide break in service, you may request a distribution in the form of a lump sum, as a periodic payment or as a combination of these methods. You will be required to pay federal and state income taxes on distributions from your pre-tax account from the Commonwealth's 457 and Cash Match Plans. The IRS also may impose a 10 percent tax penalty if you take a Cash Match Plan distribution before age 59½; there are exceptions to this rule. There is no penalty for early withdrawals from the 457 Plan. If you return to covered employment in a wage position or are serving as a substitute judge, you will not be eligible for a distribution.

Distributions that you receive from your Roth contributions and any earnings on those may be withdrawn tax free if you meet the following requirements:

- You are separated from covered employment with a bona fide break in service.
- At least five years have passed since January 1 of the year you made your first Roth contribution.
- You are at least age 59½, or permanently disabled or the assets are being paid to your beneficiaries following your death.

Note: You can request separate distributions from your pre-tax account and your Roth after-tax account. For additional distribution information, visit www.varetire.org/457.

Roll over money from your 457 Plan or Cash Match Plan. You may roll over some or all of the balance in your 457 or Cash Match Plan to an Individual Retirement Account (IRA) or another qualified plan that accepts rollovers. Check with the plan sponsor to determine if the plan accepts rollovers and whether any fees or penalties apply.

If You Request a Distribution From Your Deferred Compensation Plan

You are eligible for a distribution following a bona fide break in service of at least one full calendar month from your retirement date over a period you normally would work. This includes not working in a covered or non-covered position with any VRS-participating employer. Leave with or without pay does not count toward satisfying this break in service.

Required Minimum Distributions

For questions about required minimum distributions, ICMA-RC Defined Contribution Plans Retirement Specialists are available across the state to assist participants. Call 877-327-5261; select option 2.

Consolidate your retirement funds. You may roll over your Commonwealth of Virginia 457 Plan balance into the Virginia Cash Match Plan following a bona fide break in service. If you return to covered employment, you may still take distributions from the rollover account in your 457 Plan. You also have the option of rolling over the balance of your Cash Match Plan into the Commonwealth's 457 Plan. Check with your ICMA-RC Defined Contribution Plans Retirement Specialist to determine if either of these options offers advantages for your situation.

In addition, you may roll over money from an IRA or another qualified plan to your Commonwealth of Virginia 457 Plan or your Virginia Cash Match Plan. If you elect the Partial Lump-Sum Option Payment (PLOP) at retirement, you may contribute some or all of your PLOP to your 457 Plan or your Cash Match Plan. For more information about benefit payout options, see Chapters 1 and 2 – Welcome to JRS.

Insurance in Retirement

VRS Group Life Insurance Program

Basic group life insurance. Some basic group life insurance benefits will continue after you retire or if you defer retirement. Your coverage will end if you have not met the age and service requirements for retirement or you take a refund of your member contributions and interest. Benefits include:

- Death benefit equal to your creditable compensation at retirement, rounded to the next highest thousand and then doubled. If you retire with 20 or more years of weighted service credit, the death benefit will be based on your highest creditable compensation as a covered employee, even if your salary at retirement is lower.
- Accelerated death benefit option. If you are diagnosed with a terminal condition and have fewer than 12 months to live, you can withdraw some or all of your life insurance proceeds to use for any purpose. Your beneficiary or survivor will receive any remaining amount upon your death.

The provisions that allow for double the natural death benefit for accidental death and dismemberment end upon retirement.

Life insurance coverage in retirement. Your coverage begins to reduce on January 1 following one calendar year of retirement. The reduction rate is 25 percent each January 1 until it reaches 25 percent of the total life insurance benefit value at retirement.

More Information

VRS has contracted with Minnesota Life as the insurer for the VRS Group Life Insurance Program. For more information about your coverage as a retiree, call toll-free 1-800-441-2258.

Optional group life insurance. If you are enrolled in the Optional Group Life Insurance Program, you may continue a portion of your coverage into retirement. You as well as your spouse and dependent children, if enrolled, must have been continuously covered during the 60 months preceding your retirement date. Accidental death and dismemberment coverage ends upon retirement. Optional life insurance amounts will reduce by 25 percent based on your age, beginning at age 65; coverage ends at age 80. The maximum amount of optional group life insurance coverage in retirement is \$250,000. You must elect to continue your coverage within 31 days of your retirement date. This option is not available after 31 days.



You as well as your spouse and dependent children, if enrolled, can convert your coverage to an individual policy. You will be billed for the premiums. Submit a Conversion of Group Life Insurance Enrollment (VRS-35E) to Minnesota Life within 31 days of the last day of the month in which you leave your position. The form is available at www.varetire.org. This option is not available after 31 days.

When	Your Life Insurance Benefit	Example
You retire	Your life insurance benefit is equal to your creditable compensation at retirement, rounded to the next highest thousand and then doubled If you have 20 or more years of service, the benefit will be based on your highest creditable compensation as a covered employee	You retired on March 1, 2015. Your creditable compensation at retirement was \$49,780; for your life insurance coverage, that amount is rounded to \$50,000 then doubled to equal \$100,000 at retirement
On January 1 after you complete one calendar year of retirement (January through December)	Your life insurance coverage reduces 25 percent	Your first 25 percent reduction will be on January 1, 2017, with remaining coverage of \$75,000
On January 1 after you complete two calendar years (January through December) of retirement	Your life insurance coverage reduces another 25 percent	Your next 25 percent reduction will be on January 1, 2018, with remaining coverage of \$50,000
On January 1 after you complete three calendar years (January through December) of retirement	Your life insurance coverage reduces a final 25 percent and remains at that value for the rest of your retirement	Your final reduction will be on January 1, 2019, and your coverage will remain at \$25,000 for the rest of your retirement

State Retiree Health Benefits Program

You are eligible to enroll in the State Retiree Health Benefits Program upon retirement. You also may enroll a spouse or dependent children. You can elect coverage when you apply for retirement or within 31 days of your last day of employment by submitting the State Health Benefits Program Enrollment Form for Retirees, Survivors and LTD Participants. The form is available at www.varetire.org. Note that if you defer retirement, you will not be eligible to enroll in the program; if you waive coverage, you will not be able to enroll at a later date.

If you elect this coverage, VRS will deduct the health insurance premiums from your monthly benefit payment. If your benefit is not sufficient to cover the deduction, the health insurance carrier will bill you directly for the premiums. For more information about the program, visit the Department of Human Resource Management website at www.dhrm.virginia.gov.

Cancelling coverage. You can cancel your coverage at any time after you retire by submitting the State Health Benefits Program Enrollment Form for Retirees, Survivors and LTD Participants or by sending a written request to VRS. Cancelling your coverage also cancels coverage for your spouse and dependent children, if enrolled. Once you cancel coverage, you are not eligible to re-enroll in the program. However, you can be covered as a dependent of an active state employee or a state retiree who enrolls you in the program, or if you return to work and retire again as a state employee. In the latter case, you will have 31 days from your subsequent retirement date to elect coverage.

Disability and the Health Insurance Credit

If you retire on disability, you will be eligible for a health insurance credit. For more information, see Chapter 5-Retiring on Disability.

Enrollment options for your survivors. If you enroll in the State Retiree Health Benefits Program, you also can enroll your survivors (a spouse or dependent children). If you elect the Survivor Option at retirement and your survivors are not enrolled, they may enroll upon your death. If you elect another benefit payout option and your survivors are enrolled at the time of your death, they may elect to continue their coverage. Your survivors must submit a State Health Benefits Program Enrollment Form for Retirees, Survivors and LTD Participants within 60 days of your death. This option is not available after 60 days.

Medicare benefits. Medicare is a federal government-sponsored health insurance program. You become eligible for Medicare when you reach age 65. Medicare includes coverage for hospital care (Part A) at no cost to you and medical care (Part B), for which you pay a monthly premium. You also may elect coverage under the prescription drug plan (Part D). You should apply for Medicare at least three months before your 65th birthday.

If you elect coverage under the State Retiree Health Benefits Program, you will be eligible for the Advantage 65 program, the state's Medicare supplement plan, when you qualify for Medicare. The Advantage 65 plan includes Medicare Part D prescription drug coverage; there also is a Medical Only plan that excludes prescription drug coverage.

Health Insurance Credit

If you retire with at least 15 years of weighted service credit, you may be eligible for the health insurance credit. This is a tax-free benefit that assists with health insurance premiums you pay for single coverage under a qualified health plan, excluding any portion of the premiums covering a spouse or dependents. The health insurance credit is a dollar amount set by the General Assembly for each year of weighted service credit. You are eligible for \$4 per year of weighted service credit per month, not to exceed the amount of your individual health insurance premiums.

Applying for the health insurance credit. If you are eligible for the health insurance credit upon retirement and VRS will be deducting your health insurance premiums from your monthly benefit, you do not need to apply for it; VRS will apply the credit automatically to your benefit payment. For any premiums VRS will not be deducting, you will complete and send the Request for Health Insurance Credit (VRS-45) to VRS. The form is available at www.varetire.org.

Annual health insurance credit notice. If you are eligible for the health insurance credit, you will receive an annual Health Insurance Credit Notice from VRS reminding you to verify and update your health insurance information if necessary. This will ensure you are receiving the proper credit amount in a timely manner and are not at risk for overpayments. For any health insurance premiums VRS will not be deducting, you may report a change or cancellation by submitting a VRS-45 to VRS.

Working After Retirement

After you retire, you can work for any employer that does not participate in VRS and continue to receive your retirement benefits. If you return to covered employment with a VRS-participating employer, you will become an active member and your retirement benefits will end. As required under the *Code of Virginia*, if you are a full-time judge, justice or commissioner or a former judge, justice or commissioner receiving a VRS retirement benefit, you cannot appear as counsel in any court of the Commonwealth, the State Corporation Commission or the Virginia Workers' Compensation Commission.

If You Want to Work After You Retire

Call VRS toll-free at 1-888-VARETIR (1-888-827-3847) to determine the impact on your retirement benefits. Also contact the Social Security Administration toll-free at 1-800-772-1213 or visit www.ssa.gov for information on the effect of earnings during retirement on your eligibility for Social Security benefits. For more information about returning to covered employment and retiring again, visit www.varetire.org (select the Retirees homepage).

What Is Non-Covered Employment?

Non-covered employment is a temporary, hourly or other position with a VRS-participating employer that does not provide eligibility for benefits. Most non-covered positions are part-time wage positions. Some full-time positions may be considered non-covered if they are temporary.

Non-Covered Employment

In some cases, you can work in a non-covered position with a VRS-participating employer and continue to receive your retirement benefits. If you return to non-covered employment with the employer from which you retired, you must have a bona fide break in service of at least one full calendar month from your retirement date, during a period you normally would work, to continue receiving your retirement benefits. The Commonwealth of Virginia, including all state agencies and public colleges and universities, is considered one employer. Public school divisions and political subdivisions are considered separate employers. Your employer can make no verbal or written offer of reemployment before you retire. You and your employer must certify that no such pre-arrangement has been made on the Application for Service Retirement (VRS-5).

As required under the *Code of Virginia*, if you are a full-time judge, justice or commissioner or a former judge, justice or commissioner receiving a VRS retirement benefit, you cannot appear as counsel in any court of the Commonwealth, the State Corporation Commission or the Virginia Workers' Compensation Commission. You can work as a part-time judge under certain conditions.



myVRS

The myVRS secure online system is one of your most valuable resources as a retiree. myVRS gives you access to your retiree information, which is based on information you provide when you apply for retirement and information your employer reports to VRS.

What You Can Do in myVRS

- View your monthly retirement benefit payment amount and benefit payment history.
- See when your benefit payment is deposited and confirm your financial account information.
- View your COLA, retiree life insurance coverage amount, health insurance premium deductions and health insurance credit, if applicable.
- View your income tax withholdings and manage your withholdings online.
- Review the information used to calculate your retirement benefit, including the benefit payout option you elected at retirement.
- Update your personal profile, including your address and email address.
- Print income verification information and tax documents for income tax filing purposes.

Security and privacy. VRS is committed to protecting the security and privacy of your information. Before you are allowed access to your information, your identity is authenticated through the online account creation process. You set up your own username and password, which you use each time you log into myVRS.

Plan Summary

Plan: The Virginia Retirement System (VRS) administers defined benefit, defined contribution and hybrid plans qualified under Section 401(a) of the Internal Revenue Code, based on a plan year July 1 to June 30. VRS is governed by the provisions of Title 51.1 of the *Code of Virginia*. Changes to the law can be made only by an act of the General Assembly.

Administration: VRS is an independent state agency. As provided under the *Constitution of Virginia*, VRS funds are separate from other state funds and can be used only to administer and pay benefits for members, retirees and beneficiaries. Benefit plans include defined benefit plans through VRS, the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS) and the Judicial Retirement System (JRS); defined contribution plans, including the Commonwealth of Virginia 457 Deferred Compensation and Cash Match Plans; VRS Group Life Insurance Program; Virginia Sickness and Disability Program (VSDP) and VSDP Long-Term Care Plan for state employees; disability retirement for members not covered under VSDP, the Retiree Health Insurance Credit Program; and the Virginia Local Disability Program (VLDP), and the VLDP Long-Term Care benefit. In addition, VRS administers a Hybrid Retirement Plan for non-hazardous-duty-covered employees, effective for those hired on or after January 1, 2014.

A board of trustees administers the investment program and benefit plans of VRS. Nine members serve on the VRS Board of Trustees. Their appointment is shared between the executive and legislative branches of state government. The Governor appoints five members, including the chairman. The Joint Rules Committee of the Virginia General Assembly appoints four members. The General Assembly confirms all appointments. Of the nine Board members, four must be investment experts; one must be experienced in employee benefit plans; one must be a local government employee; one must be an employee of a Virginia public institution of higher education; one must be a state employee; and one must be a public school teacher. The public employee members may be active or retired. The following individuals currently serve on the Board of Trustees:

Robert L. Greene, Chairman	William H. Leighty
Diana F. Cantor, Vice Chairman	Joseph W. Montgomery
The Honorable J. Brandon Bell, II	Mitchell L. Nason
Wallace G. "Bo" Harris, Ph.D.	Troilen Gainey Seward, Ed.S.
W. Brett Hayes	

The Board appoints the director of the Virginia Retirement System, who serves as chief administrative officer, as well as the chief investment officer and the internal audit director.

Employees Eligible for Membership: Membership in VRS is automatic with employment in a covered position. Covered employment is a full-time permanent, salaried position with a VRS-participating employer. Some part-time permanent, salaried state positions also are covered under VRS. Participating employers include state agencies, public colleges and universities, local public school divisions and political subdivisions that have elected to participate in VRS.

VRS' Relationship With Employers: VRS administers benefits on behalf of employers that participate in VRS. Employers are not agents of VRS nor do they act at the direction of VRS. A list of participating employers is available at www.varetire.org.

8

Frequently Used Terms

Active Member	You are an active member if you are working in a covered position with an employer that participates in the Virginia Retirement System (VRS).
Active Service	Active service is the number of years you work in a covered position. You earn one month of service credit for each month you are employed ("in service"). Service earned as a member of JRS also is weighted (see weighted service).
Actuarial Equivalent Cost	The actuarial equivalent cost represents the amount of money needed in today's dollars to pay for the total value of the increase in your future retirement benefit or earlier retirement eligibility date resulting from purchasing prior service. If you purchase prior service after your two-year approximate normal cost window, your cost will be based on this rate.
Advance Pension Option	The Advance Pension Option is one of the benefit payout options available at retirement. This option allows you to temporarily increase your monthly benefit amount until an age you select, between age 62 and your normal retirement age under Social Security. At that point, your VRS benefit is permanently reduced.
Approved Domestic Relations Order (ADRO)	An Approved Domestic Relations Order (ADRO) is a court order related to marital property rights and other attachments to your benefit, such as child support at the time of divorce. If you divorce, your VRS benefit may be regarded as marital property in a property settlement.
Approximate Normal Cost	Approximate normal cost is the average cost of one year of VRS service credit. The cost is based on a percentage of your compensation or average final compensation at the time of purchase, whichever is higher.
Average Final Compensation	Under JRS Plan 1, average final compensation is the average of your 36 consecutive months of highest creditable compensation as a covered employee. Under JRS Plan 2 and the Hybrid Retirement Plan, average final compensation is the average of your 60 consecutive months of highest creditable compensation as a covered employee.
Basic Benefit	Under JRS, the Basic Benefit is calculated based on either (a) a formula using your average final compensation, a retirement multiplier and your total weighted service credit at retirement or (b) 78 percent of your average final compensation, whichever is less. You can elect the Basic Benefit or another payout option when you apply for retirement.

Beneficiary Designations	Upon your death, your named beneficiary is eligible for a payment of any balances remaining in your accounts under the defined benefit component and the defined contribution component (if you are a hybrid plan member) as well as any group life insurance benefits you may have. Beneficiary designation forms are separate for the defined benefit and defined contribution components. You can designate the same or different beneficiaries for each component.
Benefit Payout Option	When you apply for service retirement, you elect how you want to receive your benefit. You choose from four benefit payout options, depending on your eligibility: Basic Benefit, Survivor Option, Partial Lump-Sum Option Payment (PLOP) or Advance Pension Option. The option you elect is irrevocable. That means you cannot change it once you retire, with the exception of the Survivor Option under some conditions.
Bona Fide Break in Service	A bona fide break in service is a break of at least one full calendar month from your retirement date or your last day of employment over a period you normally would work.
Child Support Liens	The Department of Social Services may file child support liens against proceeds payable under the VRS Group Life Insurance Program. VRS is required to pay life insurance proceeds to the Department of Social Services to satisfy any outstanding child support obligations at your death.
Consumer Price Index for all Urban Consumers	The cost-of-living adjustment (COLA) is based on the Consumer Price Index for all Urban Consumers (CPI-U) published by the U.S. Bureau of Labor Statistics. The CPI-U is defined as a measure of the average change over time in the prices paid by urban consumers for goods and services, such as food, housing, apparel, transportation, medical care, recreation, education, communication and other goods and services.
Cost-of-Living Adjustment (COLA)	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 will be 0 percent. For more information about the COLA, see Chapter 7-After You Retire.
Covered Employment	Covered employment is a full-time permanent, salaried position with an employer that participates in VRS. Some part-time permanent, salaried state positions also are covered under VRS.
Creditable Compensation	Creditable compensation is your annual salary, not including overtime pay, payment of a temporary nature or payments for extra duties.
Creditable Service	Creditable service includes active service for each month you are working in a covered position as well as credit for prior service you may purchase or additional service you may be granted. Creditable service counts toward vesting in the defined benefit component of the Hybrid Retirement Plan. Creditable service is used to determine your eligibility for retirement and to calculate your retirement benefit under the defined benefit component. It also counts toward qualifying for the retiree health insurance credit if offered by your employer.
Death-in-Service Benefit	If you die while you are an active member ("in service"), your beneficiary or your spouse, natural or legally adopted minor child or parent may be eligible for a death-in-service benefit in addition to life insurance benefits.

Deferred Member	You are considered a deferred member if you have left covered employment but have not withdrawn your funds and have service credit in VRS or are maintaining an account balance in a Virginia optional retirement plan.
Defined Benefit Plan	The retirement plan under JRS is a defined benefit plan if you are in JRS Plan 1 or JRS Plan 2. This plan provides a lifetime monthly benefit during retirement based on age, total service credit and average final compensation.
Defined Benefit Component – Hybrid Retirement Plan	The defined benefit component of the Hybrid Retirement Plan provides a retirement benefit based on your age, total creditable service and average final compensation at retirement. VRS manages the investments and related risk for member and employer contributions under this component of the hybrid plan.
Defined Contribution Component – Hybrid Retirement Plan	The defined contribution component of the Hybrid Retirement Plan provides a retirement benefit based on member and employer contributions and net investment gains on contributions. You manage the investments and related risk for this component.
Defined Contribution Plans	The benefit under a defined contribution plan is based on contributions and investment gains and losses on these contributions. The defined contribution plans administered or authorized by VRS include the Commonwealth of Virginia 457 Deferred Compensation and Cash Match Plans, Hybrid 457 Deferred Compensation Plan, Hybrid 401(a) Cash Match Plan, optional retirement plans for select employees and a supplemental plan for certain school employees.
Direct Deposit	When you apply for retirement, you must include the Authorization for Direct Deposit of Monthly Benefit (VRS-57) to designate the financial institution account where VRS will deposit your monthly retirement benefit payment. You also will use the VRS-57 to notify VRS if your account changes. Hybrid Retirement Plan members can choose from a variety of distribution options for the defined contribution component of your plan. Through ICMA-RC, you can request a direct deposit, a check or, for an additional fee, a wire transfer.
Disability Retirement	As a JRS member, you may be eligible for disability retirement if you no longer can perform your job because of a non-work-related or work-related disability that is likely to be permanent. If you were appointed or elected to an original term before January 1, 2013, and have five or more years of creditable service, the disability retirement multiplier is 1.7 percent of average final compensation multiplied by the smaller of a) twice the amount of creditable compensation, or b) the amount of creditable service you would have completed at age 60 if you had remained in service. If you were appointed or elected to an original term between January 1, 2013, and December 31, 2013, the disability retirement multiplier is 1.65 percent. If you were appointed or elected to an original term on or after January 1, 2014, the disability retirement multiplier is 1 percent.
Employer Contribution (JRS Plan 1 and JRS Plan 2)	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.
Form 1099-R	After you retire, you will receive a 1099-R form from VRS each January for the previous year's benefit payments and tax withholdings. You will file this form with your income tax returns.

Full-Time Employment	Full-time employment is typically 40 hours a week. Thirty-two hours a week is considered the minimum number for full-time employment. Employers, not VRS, classify positions as full time or part time and define the hours applicable to each classification.
Imputed Income	Imputed income is the cost of life insurance in excess of \$50,000, as determined by the Internal Revenue Service (IRS). It is subject to FICA and income taxes and reflected in your W-2 you receive from your employer. When you retire, VRS will deduct FICA taxes and report taxable or imputed income for as long as your group life insurance exceeds \$50,000.
Irrevocable Assignment	Irrevocable assignment means assigning your ownership rights in your life insurance coverage to another person or an entity, such as an eligible trust or charity. You cannot change this assignment once it is made.
JRS Hybrid Retirement Plan	You are covered under JRS Hybrid Retirement Plan if you were appointed or elected to an original term on or after January 1, 2014, regardless if vested in VRS Plan 1 or VRS Plan 2.
JRS Maximum Retirement Benefit	If you serve as a judge, but retire from another VRS-covered position, the retirement benefit is capped at 78 percent of average final compensation. Once you earn five or more years of service in another VRS-covered position after leaving judicial service, the 78 percent cap will only apply to JRS service. Your annual retirement benefit cannot exceed 100 percent of average final compensation under any circumstances. If you retire from a judicial position, see “Basic Benefit.”
JRS Plan 1	You are covered under JRS Plan 1 if your membership date is before July 1, 2010, you were vested before January 1, 2013, you have not taken a refund and you were appointed or elected to an original term before January 1, 2014.
JRS Plan 2	You are covered under JRS Plan 2 if your membership date is from July 1, 2010, to December 31, 2013, you have not taken a refund and you were appointed or elected to an original term before January 1, 2014. Additionally, you are covered under JRS Plan 2 if you have a membership date before July 1, 2010, but you were not vested before January 1, 2013, and you were appointed or elected to an original term before January 1, 2014.
Mandatory Employer Defined Benefit Contributions – Hybrid Retirement Plan	For the defined benefit component of your hybrid plan, your employer contributes an actuarially determined rate, on behalf of all covered employees.
Mandatory Employer Defined Contributions – Hybrid Retirement Plan	For the defined contribution component of your hybrid plan, your employer contributes a mandatory 1 percent of your creditable compensation as well as matching contributions, up to 2.5 percent, on any voluntary contributions you make. You invest these contributions through your hybrid 401(a) plan.

Mandatory Member Contributions – Hybrid Retirement Plan	<p>As a hybrid member, you contribute a mandatory 4 percent of your creditable compensation each month to your member contribution account under the defined benefit component and a mandatory 1 percent of your creditable compensation each month to the Hybrid 401(a) Cash Match Plan under the defined contribution component.</p> <p>Your contributions are made on a pre-tax salary reduction basis. You pay taxes only when you receive the money from your accounts as part of your retirement benefit, a refund or a distribution.</p>
Mandatory Retirement Distribution	<p>If you defer retirement and do not apply for retirement by April 1 following the calendar year in which you turn age 70½, 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 employer contributions made to your account after July 1, 2010, and the interest on these contributions.</p>
Member Benefit Profile (MBP)	<p>The Member Benefit Profile is your annual benefits statement. It is based on information your employer reports to VRS through June 30 of each year.</p>
Member Contributions – JRS Plan 1 and JRS Plan 2	<p>You contribute 5 percent of your creditable compensation each month to your member contribution account. The <i>Code of Virginia</i> prohibits members from borrowing from their member contribution accounts.</p>
Member Voluntary Contributions – Hybrid Retirement Plan	<p>As a hybrid plan member, you have the opportunity to make voluntary contributions through the defined contribution component of your plan. You invest these contributions in the Hybrid 457 Deferred Compensation Plan. Contributions are tax-deferred until you leave or retire and withdraw your money from your plan.</p> <p>The maximum amount of voluntary contributions you can contribute to the defined contribution component is 4 percent of your creditable compensation. The employer provides one-for-one matching contributions up to 1 percent. Each additional 0.5 percent increase a member makes will be matched by the employer with a 0.25 percent contribution. An employer's maximum match amount is 2.5 percent. In addition, you may be able to contribute additional money to a supplemental defined contribution plan, if offered by your employer.</p>
Membership Date	<p>Membership is based on the date you are first reported to VRS in a covered position. If you have previous VRS service, but took a refund, your membership is the date you return to covered employment.</p>
Non-Covered Employment	<p>Non-covered employment is a temporary, hourly or other position with a VRS-participating employer that does not provide eligibility for benefits. Most non-covered positions are part-time wage positions. Some full-time positions may be considered non-covered if they are temporary and paid on an hourly basis.</p>
Normal Retirement Age	<p>Normal retirement age for all judges is age 65.</p>

Order of Precedence	If there is no valid beneficiary designation on file or your beneficiary is deceased at the time of your death, VRS is required by law to pay benefits according to an order of precedence. You designate a beneficiary on the Designation of Beneficiary (VRS-2). You can elect the order of precedence on the VRS-2 instead of naming a beneficiary. Hybrid plan members must complete two beneficiary forms: one for the defined benefit component and one for the defined contribution component.
Part-Time Employment	Part-time employment is typically 80 percent or less than of full-time employment. Employers, not VRS, classify positions as full time or part time and define the hours applicable to each classification.
Partial Lump-Sum Option Payment (PLOP)	The Partial Lump-Sum Option Payment (PLOP) is one of the benefit payout options available at retirement. You may elect a PLOP if you work at least one year beyond the date you first become eligible for an unreduced retirement benefit. You can choose an amount equal to one, two or three times your annual retirement benefit amount, depending on how long you work beyond your unreduced retirement eligibility date. This option is paid from your member contribution account and reduces your monthly benefit.
Plan Provisions	Plan provisions are the requirements that govern the plans or programs under which you are covered based on your current position of employment.
Portability	Portability means transferring the value of your retirement assets from a previous employer with which VRS has a portability agreement to a VRS-participating employer, through the purchase of VRS service credit, in order to consolidate your retirement benefits. Currently, VRS has portability agreements with the following public employers: City of Charlottesville, City of Danville, City of Newport News, City of Norfolk, City of Richmond, City of Roanoke and County of Fairfax. Hybrid Retirement Plan members are ineligible for ported service.
Power of Attorney	Under a power of attorney, you can name an individual as your agent to take actions on your behalf if you no longer can take care of your own affairs. To name an agent for VRS matters, submit a VRS Durable Power of Attorney (VRS-901).
Prior Service Credit	Eligible prior service includes 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.
Refund	A refund is a lump-sum payment of your member contribution account balance under the defined benefit component. If you leave covered employment, you can request a refund. You will receive a full or partial refund based on whether or not you are vested or involuntarily separated from employment for causes other than job performance or misconduct. Taking a refund cancels your membership and eligibility for any future benefits. If you take a refund, you will be rehired under the applicable plan if you return to covered employment with no service credit in VRS or no account balance in a Virginia optional retirement plan.
Required	If you participate in any of the VRS Defined Contribution Plans, a required minimum distribution will begin if

Minimum Distribution	you have not arranged to receive payments from your account by age 70½ or when you leave a position with an employer providing the plan, whichever is later.
Retiree	You are a retiree if you are no longer employed in a covered position and are receiving a monthly retirement benefit from VRS.
Retirement Benefit-Reduced	All JRS members are eligible for a reduced benefit beginning at age 55 with at least five years of weighted service credit.
Retirement Benefit-Unreduced	All JRS members are eligible for an unreduced benefit at age 65 with at least five years of weighted service credit or age 60 with at least 30 years of weighted service credit.
Retirement Date	The effective date of retirement is the first of the month.
Rollover	A rollover is a contribution of a pre-tax lump-sum payment, such as a refund or a Partial Lump-Sum Option Payment, to an Individual Retirement Account (IRA) or another qualified plan. A rollover allows you to defer income taxes until you withdraw the money from your plan.
Service Retirement	Service retirement is another term for regular retirement.
Service Retirement Multiplier – Hybrid Retirement Plan	A retirement multiplier is a factor that determines how much of your average final compensation will be used to calculate your retirement benefit under the defined benefit component. The retirement multiplier under the defined benefit component of the Hybrid Retirement Plan is 1.0 percent for JRS service beginning on the date of appointment or election to an original term.
Service Retirement Multiplier – JRS Plan 1	A retirement multiplier is a factor that determines how much of your average final compensation will be used to calculate your retirement benefit. For judges appointed or elected to an original term before January 1, 2013, the retirement multiplier is 1.7 percent. If appointed or elected to an original term between January 1, 2013, and December 31, 2013, the retirement multiplier is 1.7 percent on non-JRS service earned, purchased or granted before the date of appointment or election, and 1.65 percent on service earned, purchased or granted on or after the date of appointment or election.
Service Retirement Multiplier – JRS Plan 2	A retirement multiplier is a factor that determines how much of your average final compensation will be used to calculate your retirement benefit. For judges appointed or elected to an original term before January 1, 2013, the retirement multiplier is 1.7 percent. If appointed or elected to an original term between January 1 and December 31, 2013, the retirement multiplier is 1.7 percent for non-JRS service earned, purchased or granted before the date of appointment or election, and 1.65 percent on service earned, purchased or granted after the date of appointment or election.
Survivor Option	The Survivor Option is one of the benefit payout options available at retirement. Under the Survivor Option, you

	elect to continue a lifetime monthly benefit to a survivor upon your death. This option reduces your monthly benefit. You can name any living person as your survivor; you also can name more than one survivor.
Vesting – Hybrid Defined Benefit Component	You become vested in the defined benefit component when you have at least five years (60 months) of creditable service. Vesting is the minimum length of service needed to qualify for a retirement benefit, if you meet the age and service requirements for your plan. If you leave employment, you can request a refund of your defined benefit member contributions and interest; you must be vested to receive any member contributions made by your employer after July 1, 2010, and the interest on these contributions, unless you are involuntarily separated for causes other than job performance or misconduct.
Vesting – Hybrid Defined Contribution Component	You become fully vested in the employer contributions and net investment earnings on employer contributions in the Hybrid 401(a) Cash Match Plan when you have four years of creditable service; vesting in the Hybrid 457 Deferred Compensation Plan is immediate. Upon retiring or leaving employment, you can withdraw 100 percent of your hybrid 457 plan account balance.
Vesting – JRS Plan 1 and JRS Plan 2	You become vested when you have at least five years (60 months) of weighted service credit. Vesting is the minimum length of service needed to qualify for a retirement benefit, if you meet the age and service requirements for your plan, or to receive any contributions made by your employer to your member contribution account after July 1, 2010, should you leave covered employment and request a refund.
Weighted Service	Earned service as a judge that has a weighting factor applied, including earned judicial service and purchased judicial service. Non-judicial earned and purchased service is not weighted.

Member Resources

Take advantage of free member education opportunities; JRS Plan 1 and JRS Plan 2 members can visit www.varetire.org and select Education & Counseling from the Members section. For Deferred Compensation Plan regional education meetings, select the Defined Contribution Plans tab, choose your plan and then view the offerings under Education.

JRS Hybrid Retirement Plan members will find educational and counseling resources at www.varetire.org/hybrid. Select Education for a variety of materials, including the six-part Hybrid Plan Features & Benefits video series. Select Publications for references, such as the Plan Features & Highlights brochure and the Investment Guide.

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