



Service Retirement Checklist FOR EMPLOYERS

Use this checklist to help counsel employees about service retirement. For more information about each plan, see the [VRS Plan 1](#) page, the [VRS Plan 2](#) page or the [Hybrid Retirement Plan](#) page on the VRS website.

✓ Preparing for the Service Retirement Counseling Session	
	Visit myVRS Navigator to review the employee's record and determine eligibility for unreduced or reduced retirement and a lifetime monthly retirement benefit.
	Determine whether the employee is eligible for the hazardous duty supplement. NOTE: <i>Purchased military leave or hazardous duty service with a non-VRS participating employer does not count toward the supplement.</i>
	Determine if the employee is eligible for other benefits , such as life insurance, the health insurance credit, long-term care options and distributions from the Commonwealth's 457 Deferred Compensation and Cash Match plans or the defined contribution component of the Hybrid Retirement Plan.
	Determine if the employee has unused sick leave (non-VSDP employees) or disability credits (VSDP employees).
	Determine if the employee is in an agreement to purchase prior service or has service available to purchase.
	Review the employee's record to ensure any active duty military leave periods the member has with that employer have been credited to the member.
✓ Conducting the Counseling Session	
	Provide the <i>Getting Ready to Retire Guide</i> for Plan 1 and Plan 2 members or for Hybrid members . Visit www.varetire.org or www.varetire.org/hybrid to review resources such as retiree benefits, education and counseling and the <i>Retiree Handbook</i> for Plan 1 and Plan 2 members or for Hybrid members .
	Encourage employees to estimate income and expenses through the myVRS Retirement Planner and create different benefit scenarios through the myVRS Benefit Estimator . Advise employees to create a new benefit estimate any time their circumstances change and to view their Member Benefit Profiles .
	Discuss the employee's eligibility for unreduced or reduced retirement and the hazardous duty supplement, if applicable.
	Advise the employee that retirement is effective on the first of the month and to apply 60-120 days before this date. Also explain that benefits cannot begin until the employee has been separated from employment (full-time and part-time) with the employer for all covered and non-covered service for at least one full calendar month from the retirement date.
	Review any eligible payments of unused annual leave, unused sick leave (non-VSDP employees) or disability credits (VSDP employees only). Explain the conversion of sick leave (non-VSDP/VLDP employees) or unused disability credits (VSDP only) to service credit, if applicable.
	Provide the employee with Long-Term Care information. If the member is eligible for VLDP or VSDP Long-Term Care and would like to continue coverage, have the employee complete the VRS-170 and VRS-171 within 60 days of their last employment. Members enrolled in the COV Voluntary Group Long-Term Care Insurance (Genworth) can also continue coverage. Both Long-Term Care policies can be coordinated for additional coverage.
	Inform the employee that any eligible prior service purchases must be completed 60 days before retirement.
	Review the benefit payout options available to the employee and point out that the selection is irrevocable, except for the Survivor Option under some conditions: <ul style="list-style-type: none"> • Basic Benefit • Basic Benefit with the Partial Lump-Sum Option Payment (PLOP)* • Survivor Option • Survivor Option with the PLOP* • Advance Pension Option if the employee is at least age 55 (age 50 for hazardous duty employees) and vested. Explain that the employee must submit the Social Security Online Estimate at www.ssa.gov/estimator. <p>NOTE: <i>For Hybrid members, these options only apply to the defined benefit component. Distribution of defined contribution accounts is different; refer to Leaving Employment for information.</i></p> <p>* Employees are eligible for PLOP if they have worked at least one year beyond their unreduced retirement eligibility date.</p>

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	<p>Explain the hazardous duty supplement if the employee is eligible (SPORS with 1.85% multiplier, VaLORS with the 1.7% multiplier or political subdivision employees covered under enhanced hazardous duty benefits with 1.7% or 1.85% multiplier). NOTE: <i>Purchased military service or hazardous duty service with a non-VRS participating employer does not count toward the supplement.</i></p>
	<p>Review options for the employee's 457 and Cash Match plans, if applicable. See the Commonwealth of Virginia 457 Deferred Compensation Plan and Virginia Cash Match Plan for more information, as well as the defined contribution component of the Hybrid Retirement Plan, if applicable.</p>
	<p>Discuss federal and state income taxes on benefit payments (pre-tax dollars only) and distributions from the deferred compensation plan account, if applicable.</p>
	<p>If the employee is eligible to continue VRS group life insurance, review Basic and Optional coverage:</p> <ul style="list-style-type: none"> • Basic Group Life Insurance benefits continue in retirement but reduce each year (beginning January 1 following one calendar year of retirement, benefits reduce 25% each January 1 until coverage reaches 25% of the original value. • If covered under Optional Group Life Insurance, the employee, along with their spouse and dependent children may be eligible to continue coverage provided they have been continuously covered during the 60 months prior to retirement. They may also have the option to convert coverage.
	<p>Discuss any employer-sponsored retiree health insurance coverage and the health insurance credit, if applicable. (State employees are eligible for the State Retiree Health Benefits Program administered by the Department of Human Resource Management.)</p>
	<p>Review the cost-of-living adjustment (COLA). The COLA allows retirement benefits to keep pace with inflation. The COLA is based on the Consumer Price Index for all Urban Consumers (CPI-U), published by the U.S. Bureau of Labor Statistics and updated each July 1. During years of no inflation or deflation, the COLA is 0 percent. For more information about eligibility and COLA calculations, see the <i>Retiree Handbook</i> for Plan 1 and Plan 2 members or for Hybrid members.</p>
	<p>Explain the requirements regarding working after retirement and encourage the employee to review Working After Retirement.</p>
<p>✓ Submitting the Application</p>	<p>Items the Employee Completes:</p>
	<p>Plan 1 and Plan 2 members should apply for retirement online using myVRS; no forms are required. If Plan 1 or Plan 2 members cannot complete the retirement process online, they must instead submit the following required forms:</p> <ul style="list-style-type: none"> • Application for Service Retirement (VRS-5) • Designation of Beneficiary (VRS-2) • Request for Health Insurance Credit (VRS-45) (if eligible)
	<p>Hybrid members should apply for retirement online using myVRS. In addition to completing the online application, Hybrid members must also submit the following required forms:</p> <ul style="list-style-type: none"> • VRS Hybrid 457 Deferred Compensation Plan Distribution/Direct Rollover/Transfer Request Form • VRS Hybrid 401(a) Cash Match Plan Distribution/Direct Rollover/Transfer Request Form • IRS Form W-4P: Withholding Certificate for Pension or Annuity Payments • Designation of Beneficiary (this is a separate form for the defined contribution component only)
	<p>Have employees designate their Defined Benefit and Life Insurance beneficiaries in myVRS. Alternatively, a member can send in a completed VRS-2 form to VRS. If beneficiaries are not designated, the order of precedence is in effect by law. Have the employee log into Account Access to designate beneficiaries for all defined contribution and/or defined compensation accounts including COV 457, Virginia Cash Match, Hybrid 457, and Hybrid 401(a) Cash Match. The employee should contact MissionSquare at (800) 669-7400 for assistance.</p>
	<p>In addition to the required forms listed above, all eligible employees may submit the following optional forms:</p> <ul style="list-style-type: none"> • State Health Benefits Program Enrollment Form for Retirees, Survivors and LTD Participants (state employees only) • Retiree Optional Life Continuation (VRS-39R) • Long-Term Care Plan Authorization of Coverage Retention (VSDP or VLDP) (VRS-170) and Long-Term Care Plan Protection Against Unintentional Lapse (VSDP or VLDP) (VRS-171)

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Items the Employer Completes:	
	For eligible hazardous duty employees, submit the Certification of Hazardous Duty (VRS-77) .
	If an eligible employee elects to convert a sick leave payout to service credit, complete the process in myVRS Navigator.
	If a VSDP-participating employee elects to convert disability credit to service credit, complete the process in myVRS Navigator.
	If an employee is eligible for the health insurance credit but their job name was listed incorrectly in myVRS Navigator, submit the Certification of Employment for Health Insurance Credit Eligibility (VRS-76) . (This form does not need to be submitted if the job name is correct).
✓ Completing the Retirement Process	
	Upon receiving approval for service retirement, the employer receives a secure message to certify the retirement online and separate the employee in myVRS Navigator if the employee is currently in a covered position or has been within the last 12 months.
	Employees who apply for retirement using myVRS will receive an email once the application has been accepted.
	Once the first payment is processed, the employee will receive a Welcome to Retirement letter, which includes the Service Retirement summary, the final summary of retirement benefits.
	<p>A VRS member who registered for myVRS while working will keep the same account in retirement. Members should check their myVRS account information to ensure they are using an email address accessible after retirement. Once VRS issues the first benefit payment, myVRS will switch from active member information to retiree information. Otherwise, the member may set up an account after retiring, using the information VRS will provide by mail. The myVRS account will allow the retiree to perform the following tasks:</p> <ul style="list-style-type: none"> • Update address and contact information • View benefit payment information • Manage your health insurance premiums, if applicable • View the amount of your health insurance credit, if applicable • Print income verification • View tax information • View cost-of-living adjustments (COLAs) • Update your payment destination • View value of life insurance, if applicable • Manage beneficiaries

Questions? Call VRS at 888-827-3847 and ask to speak with your [employer representative](#).