



Plans 1 & 2 New Hire Checklist FOR EMPLOYERS

Use this checklist as a high-level guide to review key elements of [VRS Plan 1](#) and [VRS Plan 2](#) with new employees. Detailed plan provisions and other information about the plan can be found in the [Plan 1 Member Handbook](#) and [Plan 2 Member Handbook](#).

✓ Plan Overview	
	Plan 1:
	Employees are covered under Plan 1 if they have a VRS membership date prior to July 1, 2010 and were vested before January 1, 2013, and have not taken a refund.
	Employees will receive a welcome letter from VRS that contains Plan 1 information. Refer employees to the Plan 1 Member Handbook for introductory plan information.
	Plan 2:
	Employees are covered under Plan 2 if they have a membership date from July 1, 2010 to December 31, 2013, and have not taken a refund. Employees are covered under Plan 2 if they have a membership date prior to July 1, 2010 but were not vested before January 1, 2013.
	Employees who are covered under VaLORS or SPORS, or VRS with enhanced hazardous duty benefits or the hazardous duty alternate option who have a membership date on or after July 1, 2010, are in Plan 2, even if their membership date is after December 31, 2013.
	Employees will receive a welcome letter from VRS that contains Plan 2 information. Refer employees to the Plan 2 Member Handbook for introductory plan information.
✓ Saving for Retirement	
	Under Plan 1 and Plan 2, employees contribute 5% of their creditable compensation each month to their Member Contribution Account. Employers make a separate contribution based on the payroll of all covered employees. VRS actuary determines the rate the employer pays.
	The Member Contribution Account accrues interest at a rate of 4% per year. Interest is compounded annually on contributions and interest that are older than 12 months as of June 30.
	For Plan 1 and Plan 2, vesting occurs when an employee has at least five years of service. If vested, an employee is eligible to receive a monthly retirement benefit once age and service requirements are met.
	Commonwealth of Virginia 457 DC Plan / Virginia Cash Match Plan:
	<i>Share the following information with employees only if you, the employer, offer the Commonwealth of Virginia 457 Deferred Compensation Plan and the Virginia Cash Match Plan:</i>
	Employees are eligible to participate in the Commonwealth of Virginia 457 Deferred Compensation Plan. The plan allows additional savings for retirement on a tax-deferred basis through payroll deductions. Contributions and earnings are tax-deferred. If eligible for the Virginia Cash Match Plan, the employee receives matching funds from the employer, equal to 50% of the contribution, not to exceed \$20 per pay period.
✓ Purchasing Prior Service	
	Prior service is a period of eligible service that is not credited to an employee's VRS account. An employee may purchase a variety of service types, including previous public employment, active duty military service, an eligible period of leave or VRS refunded service. For more information on eligible types of service, see the Purchase of Prior Service Credit chapter of the Employer Manual.
	Prior service credit counts toward the five years needed to become vested, as well as eligibility for retirement and the health insurance credit.
	Employees have a two-year window of time from the date of the employee's hire to purchase service at approximate normal cost before the cost changes to an actuarial equivalent cost. Advise employees to strongly consider purchasing any eligible service during this period of time as costs will rise considerably after the two-year window closes. Refunded service is not subject to the two-year window.

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✓ Disability Benefits	
	VRS Plan 1 and VRS Plan 2 school division employees and political subdivision employees may be eligible for disability retirement through VRS. Most state employees, including members of the State Police Officers' Retirement System (SPORS) and the Virginia Law Officers' Retirement System (VaLORS), are covered under the Virginia Sickness and Disability Program (VSDP) .
	For more information on disability benefits, see the Disability Retirement Checklist for Employers and the Disability Retirement Checklist for Members . In-depth information about disability benefits that are offered by VRS may be found in the Disability Retirement and VSDP Benefits chapters of the Employer Manual.
✓ Basic Group Life Insurance	
	As members of Plan 1 or Plan 2, most employees have basic group life insurance coverage through the VRS Group Life Insurance Program, as long as their employer participates. (Some political subdivisions may not offer VRS Group Life Insurance.) For information about coverage, see the VRS Plan 1 Member Handbook or the VRS Plan 2 Member Handbook . Employees may also contact Securian Financial toll-free at 800-441-2258.
	Employees may name any living person as the beneficiary for their life insurance. To do so, the employee must complete a Designation of Beneficiary (VRS-2) and submit the form to VRS. The form may also be used to change beneficiary designations for optional group life insurance and defined benefit contributions.
✓ Optional Group Life Insurance	
	The Optional Group Life Insurance Program allows employees to purchase additional insurance for themselves, their spouses and minor dependent children. For available coverage amounts, see the VRS website or the Group Life Insurance chapter of the Employer Manual.
	To enroll in optional group life insurance, the employee completes the Enrollment Application for VRS Optional Group Life Insurance (VRS-39) . The employee forwards the VRS-39 to the employer, who must complete Section 6.
	An employee may apply for optional group life insurance at any time. However, if the employee is enrolling within 31 days of employment, coverage is guaranteed and no medical underwriting is required.
	An employee who participates in the optional plan may add dependents within 31 days of a qualifying event, such as marriage, birth or adoption of a child, or retirement of a spouse when both the employee and spouse are covered under optional group life insurance.
✓ COV Voluntary Group Long-Term Care Insurance	
	VRS has contracted with Genworth Life Insurance as the insurer for the Commonwealth of Virginia (COV) Voluntary Group Long-Term Care Insurance Program. Participant-paid coverage provides a monthly benefit allowance for covered long-term care expenses, such as nursing home care or at-home care to assist with bathing, eating or other activities of daily living.
	All state employees are eligible for the COV Voluntary Group Long-Term Care Insurance Program. Employees of school divisions and political subdivisions are eligible if the employer elects to participate in the program.
	The employee can choose one of three benefit increase options that will allow the employee to increase coverage over time to help protect against the rising cost of care. If an employee leaves or retires from a position, the employee may continue coverage under Genworth.
	If eligible for the VSDP Long-Term Care Plan or the employee has other long-term care insurance, the employee may be able to coordinate with the voluntary program to obtain additional coverage.
	Employees may find enrollment information on the Genworth website or the VRS website .
✓ More Action Items	
	After receiving a welcome letter from VRS, employees should register for secure, online myVRS account access . Here, employees can view contribution amounts and account totals.
	Have employees check out the myVRS Financial Wellness program , powered by Enrich. Access money-management information, increase knowledge of financial best practices and make sense of things like credit, insurance and taxes.
	Direct employees to the goal-based myVRS Retirement Planner , which helps employees anticipate expenses and add outside sources of income to more accurately project retirement income. In addition, the Benefit Estimator allows employees to enter various retirement date scenarios and payout options, and estimate the lifetime monthly benefit.
	Remind new employees of their retirement timeline by referring them to the Retirement Readiness Checklist .

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	Employees should submit beneficiary designations for basic group life insurance, optional group life insurance and defined benefit contributions. The employee must complete a Designation of Beneficiary (VRS-2) and submit the form to VRS.
	Remind the employee to review the annual Member Benefit Profile (MBP) available through myVRS. Read more about the MBP.
	Encourage the employee to subscribe to Member News , VRS' quarterly e-newsletter that includes updates about VRS benefits.
	Employees should visit the VRS member education and counseling page for further information. VRS provides one-on-one counseling by phone or in person, and also holds educational sessions around the state and through webinars. For questions related to Plan 1 and Plan 2, contact the Virginia Retirement System at 888-827-3847 or email vrs@varetire.org .

Questions? Call VRS toll-free at 888-827-3847 and ask to speak with your [Employer Representative](#).