




Service Retirement Checklist FOR EMPLOYERS

Use this checklist to help counsel employees about service retirement. For more information, see [VRS Plan 1](#), [VRS Plan 2](#) and the [Hybrid Retirement Plan](#) 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 if 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.
✓ Conducting the Counseling Session	
	Provide Getting Ready to Retire Guide for Plan 1 and Plan 2 members, or hybrid members . Review VRS resources such as retiree benefits, education and counseling, and the Handbook for Members at www.varetire.org or www.varetire.org/hybrid .
	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. Plan 1 and Plan 2 employees also can view their Member Benefit Profiles , while hybrid members can review a summary of both their defined benefit and the defined contribution accounts.
	Confirm eligibility for unreduced or reduced retirement and the hazardous duty supplement, if applicable.
	Advise employee that retirement is effective on the first of the month and to apply between 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 member 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 member complete the VRS-170 and VRS-171 within 60 days of the member's 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 more coverage.
	Inform 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 Retirement Plan members, these options only apply to the defined benefit portion. Distribution of defined contribution benefits 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>
	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>

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	Review options for the employee's 457 and Cash Match Plans, if applicable (see 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 plan , as applicable).
	Discuss federal and state income taxes on benefit payments (pre-tax dollars only) and distributions from the deferred compensation plan account, if applicable.
	If the employee is eligible to continue VRS group life insurance coverage (see Insurance in Retirement): <ul style="list-style-type: none"> • Explain Basic Group Life Insurance benefits that continue in retirement and coverage reduction: Beginning January 1 following one calendar year of retirement, 25 percent each January 1 until coverage reduces to 25 percent of its value. • If covered under Optional Group Life Insurance, explain eligibility to continue coverage provided the employee and his or her spouse and dependent children, if applicable, have been continuously covered during the 60 months prior to retirement, or option to convert coverage.
	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.)
	Review the COLA : Cost-of-living adjustments (COLAs) allow 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. Eligibility and COLA calculation information is available in the Retiree Handbook .
	Explain long-term care coverage options (see Long-Term Care): <ul style="list-style-type: none"> • Continuation of Virginia Sickness and Disability Program (VSDP) long-term care coverage, if eligible • Continuation of Virginia Local Disability Program (VLDP) long-term care coverage, if eligible
	Explain the requirements regarding working after retirement and encourage the employee to review Working After Retirement .
	Submitting the Application
	Items the Employee Completes:
	Have the employee complete the Application for Service Retirement (VRS-5) and submit it to VRS.
	If applicable, have the employee log into their myVRS account to initiate purchase of prior service.
	Have the employee complete the following required forms and submit them to VRS: <ul style="list-style-type: none"> • Designation of Beneficiary (VRS-2) • State Health Benefits Program Enrollment Form for Retirees, Survivors and LTD Participants (state employees only)
	If the employee is covered by the Hybrid Retirement Plan, have the employee complete the following additional required forms and submit them to VRS: <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
	Have the employee complete the following forms if applicable and submit them to VRS: <ul style="list-style-type: none"> • Retiree Optional Life Continuation (VRS-39R) • Request for Health Insurance Credit (VRS-45) if VRS will not be deducting health insurance premiums from the monthly benefit • 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)
	Items You, the Employer, Complete:
	For eligible hazardous duty employees, complete the Certification of Hazardous Duty (VRS-77) and submit it to VRS.
	If the employee is eligible and elects to convert a sick leave payout to service credit, complete the process through myVRS Navigator.
	If the employee participates in VSDP and has elected to convert disability credit to service credit, complete the process through myVRS Navigator.

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✓ Completing the Retirement Process	
	Upon receiving approval for service retirement, you, as the employer, receive 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.
	The employee will receive the Retirement Acknowledgement letter if the application is not immediately auto-approved, but still pending, or the Retirement Approval letter, which includes a general summary of retirement benefits, if the application has been approved.
	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• View the amount of 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)• View payment destination• View value of life insurance (if eligible)

Questions? Call VRS toll-free at 1-888-827-3847.
Select menu option 3 to speak with an employer advisor.