

Transitional Benefits Program

CHECKLIST FOR EMPLOYERS

Use this checklist to counsel employees who are involuntarily separated from employment and are eligible to retire under the Transitional Benefits Program (TBP).

✓ Is the employee eligible for the TBP?

The employer must have elected to offer the Transitional Benefits Program (TBP) and VRS must have acknowledged the election.

A Plan 1 employee must be at least age 50; A Plan 2 or Hybrid employee must be at least age 60.

An employee must have five or more years of service credit.

✓ Prepare to counsel the employee

Review the [Transitional Benefits Program](#). Determine if the employee qualifies for retirement under TBP. If the employee is not eligible to retire, even with the additional TBP credit, do not use this checklist. Under the TBP program, employees not eligible for retirement will receive regular continued payment from their employer for the weeks required.

Review coverage of applicable benefits, such as life insurance, health insurance credit, long-term care insurance and distribution eligibility from the Commonwealth of Virginia 457 Deferred Compensation Plan, Virginia Cash Match Plan and the defined contribution component of the Hybrid Retirement Plan.

Determine if the employee has unused sick leave.

Determine if the employee is in an agreement to purchase VRS prior service credit or has service available to purchase.

✓ Counsel the employee

Review the [Transitional Benefits Program](#) with the employee. Discuss the TBP options available to the employee:

- Retire with a cash severance benefit and no TBP retirement credit; OR
- Retire with TBP retirement credit and no cash severance benefit.

Provide resources such as the [Getting Ready to Retire Guide](#) and the *Handbook for Members* for [Plan 1](#), [Plan 2](#) or [Hybrid](#) members.

Inform the employee that any eligible prior service purchases must be completed 60 days before retirement.

If the employee is covered under enhanced hazardous duty benefits, determine if the additional credit qualifies the employee for the hazardous duty supplement and then review the supplement.

Advise the employee that retirement is effective on the first of the month and to apply between 60-120 days before this date. Explain that benefits cannot begin until the employee has been separated from employment (full-time and part-time) 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. Explain the conversion of a sick leave payout to service credit, if applicable.

If the employee is eligible to continue VRS Group Life Insurance coverage (see [Insurance in Retirement](#)):

Explain Basic Group Life benefits that continue in retirement.

Explain coverage reduction. (After retirement, coverage reduces 25% each year until it reaches 25% of its pre-retirement value.)

If the employee is covered under Optional Group Life, explain their eligibility to continue coverage provided the employee and their spouse and dependent children, if applicable, have been continuously covered during the 60 months prior to retirement. Explain the employee's option to convert coverage.

Review benefit payout options and point out that the selection is irrevocable (except for the Survivor Option under some conditions).

If applicable, review distribution eligibility for the COV 457 Plan, Virginia Cash Match Plan and the defined contribution component of the Hybrid Plan. The employee is not required to take a distribution.

Explain the option to continue long-term care coverage under the Virginia Local Disability Program (VLDP), if eligible. Retirees wishing to continue coverage under the VLDP Long-Term Care Plan must enroll within 60 days of the end of the layoff period or the retirement date, whichever occurs first. Refer the employee to the VLDP Long-Term Care Plan for more information.

Discuss federal and state income taxes on benefit payments (pre-tax dollars only) and distributions from deferred compensation plans.

Review the cost-of-living adjustment (COLA), which is updated each July 1. See the [COLA page](#) on the VRS website for current details.

Review restrictions against returning to employment if the employee retires under the TBP. A TBP retiree who returns to VRS-covered employment with any VRS-participating employer will forfeit the enhanced retirement credits when they retire again.

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✓ Submit the application

Items the employee completes:

The employee applies for retirement using [myVRS](#) or by filling out and submitting an [Application for Service Retirement \(VRS-5\)](#).

The employee designates their defined benefit and life insurance beneficiaries in myVRS (or submits a Designation of Beneficiary (VRS-2). (The employee should also log into their [DCP Account](#) to verify that their defined contribution and deferred compensation beneficiaries are current). If beneficiaries are not designated, the order of precedence is in effect by law.

To request a distribution from their COV 457 Plan, Virginia Cash Match Plan or the defined contribution component of the Hybrid Plan, the employee logs into their [DCP Account](#). The employee is not required to take a distribution.

In addition to the required forms, the employee may also submit the following optional forms, as applicable:

[Retiree Optional Life Continuation \(VRS-39R\)](#);

[Request for Health Insurance Credit \(VRS-45\)](#) if VRS will not be deducting health insurance premiums from their benefit;

Long-term care coverage ([VRS-170](#)) and protection against accidental lapse ([VRS-171](#)) forms for VSDP and VLDP participants.

Items the employer completes:

The employer submits the [Employer Certification of Involuntary Separation Under the Transitional Benefits Program \(VRS-11B\)](#) to VRS.

For an eligible hazardous duty employee, the employer submits the [Certification of Hazardous Duty \(VRS-77\)](#) to VRS.

If an eligible employee elects to convert a sick leave payout to service credit, the employer completes the process in myVRS Navigator.

✓ Complete the retirement process

When the employee's retirement is approved, the employer receives a secure message to certify the retirement online and to 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 receives a Retirement Acknowledgement letter if the application is not immediately approved and is pending, or a Retirement Approval letter, which includes a summary of retirement benefits, once the application is approved.

Once the first payment is processed, the employee receives a Welcome to Retirement letter, which includes a service retirement summary (the final summary of retirement benefits).

The employee should check myVRS to ensure they have used an email address accessible after retirement. Once VRS issues the first benefit payment, myVRS will switch from active member information to retiree information. An employee who does not set up the account while employed may set it up after retiring using information VRS will provide by mail. myVRS allows the retiree to:

- Update address and contact information
- View the amount of the HIC
- View COLA information
- View benefit payment information
- Print income verification
- Update a payment destination
- Manage health insurance premiums
- View tax information
- View the value of life insurance
- Manage beneficiaries