



Workforce Transition Act Retirement CHECKLIST FOR EMPLOYERS

Use this checklist to counsel state employees who are involuntarily separated from employment and eligible to retire under the Workforce Transition Act (WTA). Plan 1 vested employees must be at least age 50; Plan 2 and Hybrid Retirement Plan members must be at least age 60. All must have five or more years of service credit. For additional information, see [Workforce Transition Act \(State Employees\)](#). For employees who are not eligible to retire, see the [Department of Human Resource Management website](#).

✓ Preparing for the WTA Retirement Counseling Session	
	Review Workforce Transition Act (State Employees) at www.varetire.org . Determine if the employee qualifies for retirement under WTA. If the employee is not eligible to retire, even with the addition of the WTA retirement credit, do not use this checklist.
	Calculate the amount of the employee's cash severance benefit, Virginia Sickness and Disability and WTA retirement credit using the DHRM online calculator .
	Review coverage of other benefits, such as life insurance, VSDP, long-term care, the health insurance credit, the Commonwealth's 457 Deferred Compensation Plan and Cash Match Plan, and 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 currently in an agreement to purchase VRS prior service credit or has service available to purchase.
✓ Conducting the Counseling Session	
	Review Workforce Transition Act (State Employees) with the employee at www.varetire.org . Discuss the WTA retirement options available to the employee based on your calculations: (1) Retire with a cash severance benefit and no WTA retirement credit; or (2) retire with the WTA retirement credit and no cash severance benefit.
	Provide the <i>Getting Ready to Retire Guide</i> for Plan 1 and Plan 2 members or hybrid members. Review other VRS resources such as retiree benefits, education and counseling, and the <i>Handbook for Members</i> at www.varetire.org or www.varetire.org/hybrid .
	Inform employee that any eligible prior service purchases must be completed 60 days before retirement.
	If the employee elects the WTA cash severance benefit, review the following: <ul style="list-style-type: none"> The employee will be provided health and life insurance at the active employee rate for 12 months following the layoff date. If the employee wishes to retire and be covered under the State Retiree Health Benefits Program, he or she must enroll within 31 days of the first day of the 13th month following the layoff or retirement date.
	If the employee elects to retire with additional WTA credit and it qualifies for the health insurance credit, review the following and refer the employee to the Health Insurance Credit page on the VRS website for more information: <ul style="list-style-type: none"> The employee must be enrolled in a health insurance program, such as the State Retiree Health Benefits Program, in order to receive the health insurance credit. The amount the employee is eligible to receive will be the maximum credit amount determined by the employee's creditable service or the premium the employee pays for health insurance, whichever is less. If the employee enrolls in the State Retiree Health Benefits Program, the premiums will be automatically deducted from his or her retirement payments, and the employee does not need to apply for the health insurance credit. If the employee will pay the premiums for another plan, the employee must apply for the health insurance credit.
	If the employee is covered under SPORS or VaLORS with a 1.7% multiplier and elects the WTA retirement credit, explain that any portion of the credit applied toward service counts toward eligibility 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>
	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.

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	Review any eligible payments of unused annual leave, unused sick leave (non-VSDP employees) or disability credits (VSDP employees). Explain the conversion of sick leave (non-VSDP employees) or unused disability credits (VSDP) to service credit, 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.
	Advise employee that if he or she wishes to continue coverage under the VSDP Long-Term Care Plan, the employee must enroll within 60 days of the end of the layoff period or the retirement date, whichever occurs first. Refer the employee to VSDP Long-Term Care Plan for more information.
	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.
	Discuss federal and state income taxes on benefit payments (pre-tax dollars only) and distributions from the deferred compensation plan account, if applicable.
	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 .
	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).
	Review the restrictions against returning to employment if the employee retires under the Workforce Transition Act. Employees retiring under the program who return to covered employment with any VRS-participating employer in any capacity will forfeit the enhanced retirement credits when they retire again.
✓	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 his or her 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) • 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
	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 – Defined Contribution component
	Have the employee complete the following forms as 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 • Authorization of Coverage Retention for the Long-Term Care Plan (VSDP or VLDP) (VRS-170) and Protection Against Unintentional Lapse of Long-Term Care Plan (VSDP or VLDP) (VRS-171)
	Items You, the Employer, Complete:
	Complete and sign the Employer Certification of Involuntary Separation Under the Workforce Transition Act (VRS-11) . If the employee is electing the WTA retirement credit, also complete the WTA Retirement Credit Worksheet on page two of the form.

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	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 or disability credits to service credit, complete the process through myVRS Navigator.
✓ Completing the Retirement Process	
	Upon receiving approval for 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.