



Department of  
Finance – Pension Administration Division

# **Retirement Workshop for Employees Covered by the Virginia Retirement System (VRS)**

April 22, 2026



# Agenda

## ▶ Retirement Benefits

- ▶ Pension Administration Division

## ▶ MissionSquare

- ▶ Antoinette Guy-Wharton

## ▶ The Basics of Medicare

- ▶ Darrien Banks

## ▶ Insurance & Leave Benefits

- ▶ Human Resources Division



# Finance Department Pension Administration Division Staff



**Kadira Coley**  
Retirement Administrator



**Nicole LaPoint**  
Pension Accountant



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Retirement Specialist



**Arthur Lynch**  
Retirement Specialist



**Diana Fuentes**  
Retirement Specialist



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# Retirement Benefits



# Defined Benefit Plan (DB)

- ▶ Pays you a lifetime, monthly pension payment
- ▶ Plan sponsor/City/Retirement Board makes investment decisions
- ▶ No individual employee accounts
- ▶ Employee and City contribute to plan
- ▶ Uses a formula to calculate monthly pension benefit

Plan Factor x Average Compensation x Years of Service ÷ 12 = Monthly Pension



# Defined Contribution Plan (DC)

- ▶ Provides you with a retirement savings account when you retire or leave the City
- ▶ You have an individual account and choose how to invest your money
- ▶ Employee and City contribute to the account
- ▶ **Account balance** = your contributions + City contributions + investment earnings



# Retirement Plans at the City of Alexandria

## Retirement Plans Administered

- ▶ Mandatory Participation
  - ▶ Virginia Retirement System (VRS)
  - ▶ City of Alexandria Supplemental Retirement Plan
  - ▶ Firefighters and Police Officers Pension Plan
- ▶ Voluntary Participation
  - ▶ 457(b) / 457 Roth Deferred Compensation Plan
  - ▶ Roth IRA

## Who is Covered?

- ▶ General Schedule Employees (VRS & Supplemental)
  - ▶ Non-Public Safety
  - ▶ Full-Time or Part-Time
- ▶ Deputy Sheriffs, Medics and Fire Marshals (VRS & Supplemental)
- ▶ Firefighters and Police Officers (F&P Pension Plan)





# If You Are Thinking of Retirement....

- ▶ Start and maintain a budget
- ▶ Eliminate or reduce debt before retirement
- ▶ Consider when best to pay off mortgage
- ▶ Consider if you want life insurance and apply before retirement
- ▶ Try on retirement: begin living on retirement income, 6 – 12 months prior to retirement
- ▶ Find birth certificate or proof of birth
- ▶ If you will elect a survivor option, you will need the birth certificate for your survivor and marriage certificate if the survivor is your spouse



# Consult Advisors

You are making a decision that will affect you and possibly family members for the rest of your lives

- ▶ Include your spouse/significant other in planning
- ▶ Consult certified experts who can help you:
  - ▶ Financial/tax advisor regarding taxes, pension payment options, and how to best use retirement savings when/after retire
  - ▶ Lawyer regarding time when you can't make decisions (don't assume this won't happen to you!)
    - ▶ Will
    - ▶ Power of Attorney
    - ▶ Advanced medical directive

Pension employees are not certified to give legal, financial, or tax advice



Department of Finance

Pension Administration Division

# City of Alexandria Supplemental Retirement Plan



# EMPOWER

1.800.338.4015

[www.empowermyretirement.com](http://www.empowermyretirement.com)



# Contributions

- ▶ Employees participating after 6/30/2009

Employee Contributes 2% & the City contributes 2.98% FY 2026

- ▶ Employees participating prior to 7/1/2009

2% of the City-paid contributions were designated as employee contributions  
City contributes 4.98% FY 2026





# Benefit Calculation

**% x**

**MULTIPLIER**



**Average  
Earnings**

**x**



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SERVICE**

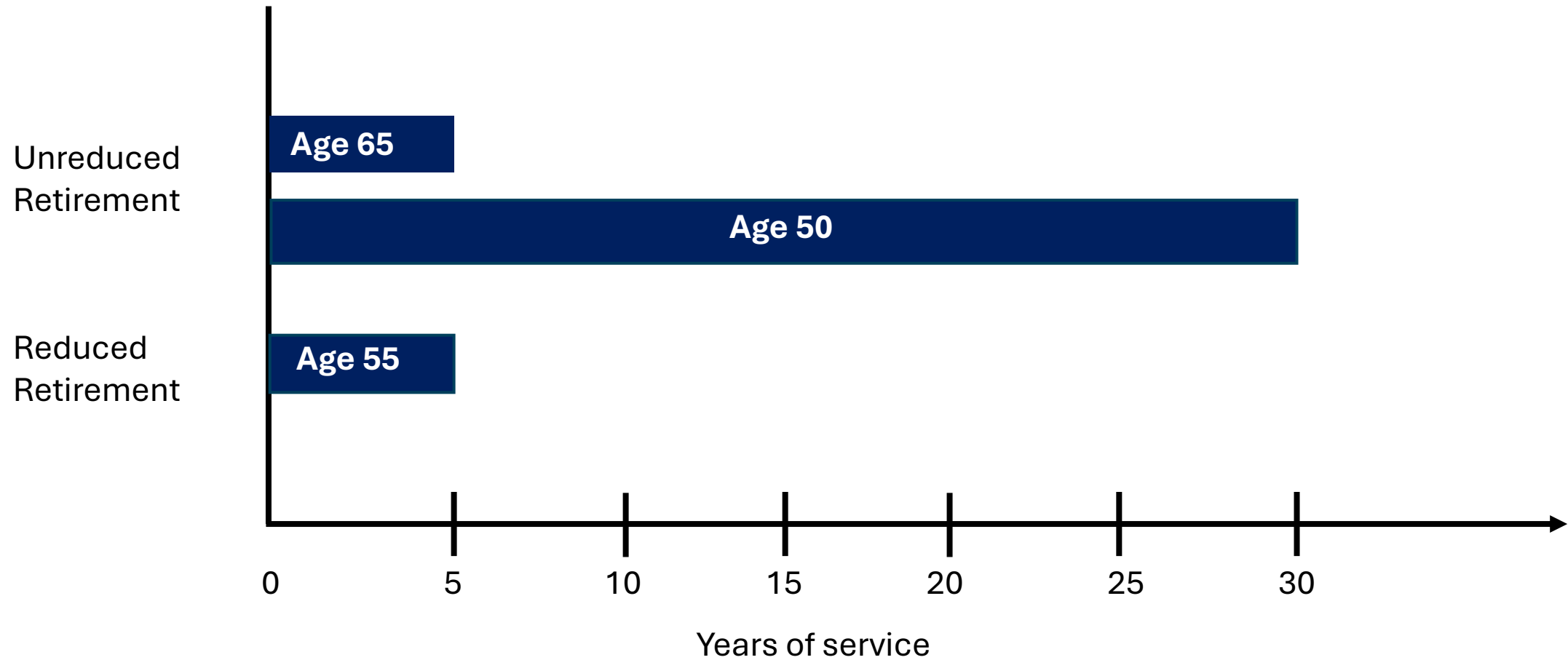


# Supplemental Benefit Formula

Employee Type	Formula
General Schedule	$0.8\% \times \text{AE} \times \text{CS}$ for years after 1987 Plus Benefit Calculated for years prior to 1988
Deputy Sheriffs, Medics, and Fire Marshals	The sum of: $0.6\% \times \text{AE} \times \text{CS}$ (years 1-5) $0.9\% \times \text{AE} \times \text{CS}$ (years 6-15) $1.0\% \times \text{AE} \times \text{CS}$ (years 16 or later)
AE = 36 Consecutive Months Average Earnings CS = Credited Service	

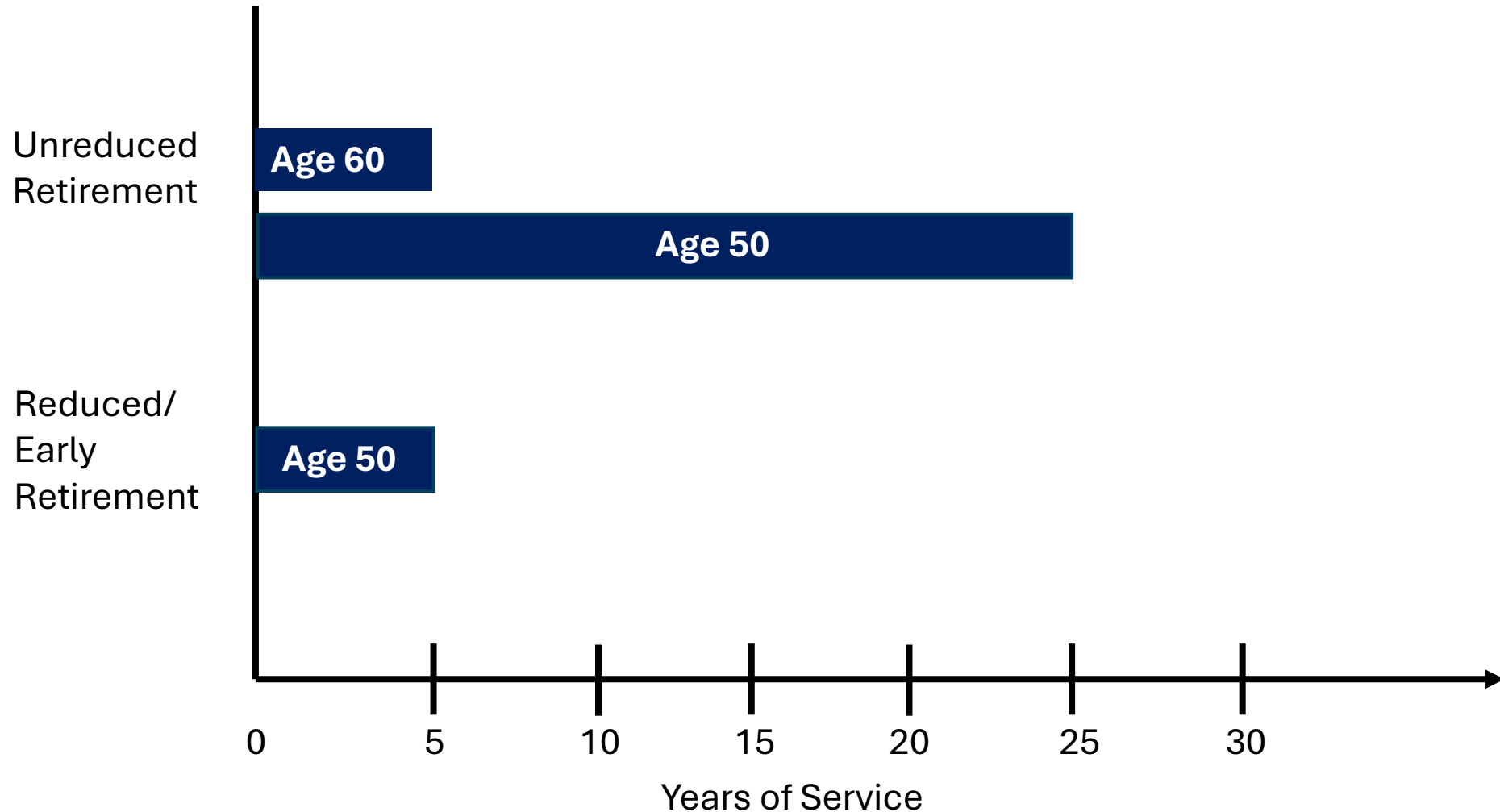


# Retirement Eligibility





# Retirement Eligibility for Deputy Sheriffs





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# Payment Options



# Life Annuity and Modified Cash Refund Payment Options

- Monthly Benefit
- No further benefits payable at death.

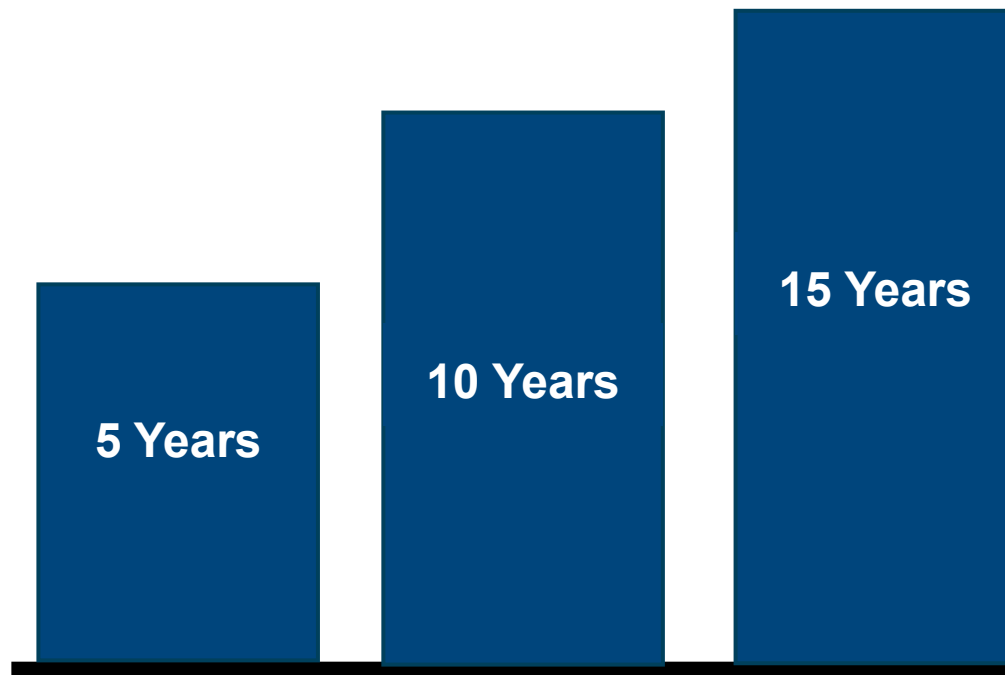
- Monthly Benefit
- Remaining contributions, plus interest paid to beneficiary.

**Life  
Annuity**

**Modified  
Cash  
Refund**



# Certain & Life Annuity Payment Options



▶ Monthly lifetime benefit

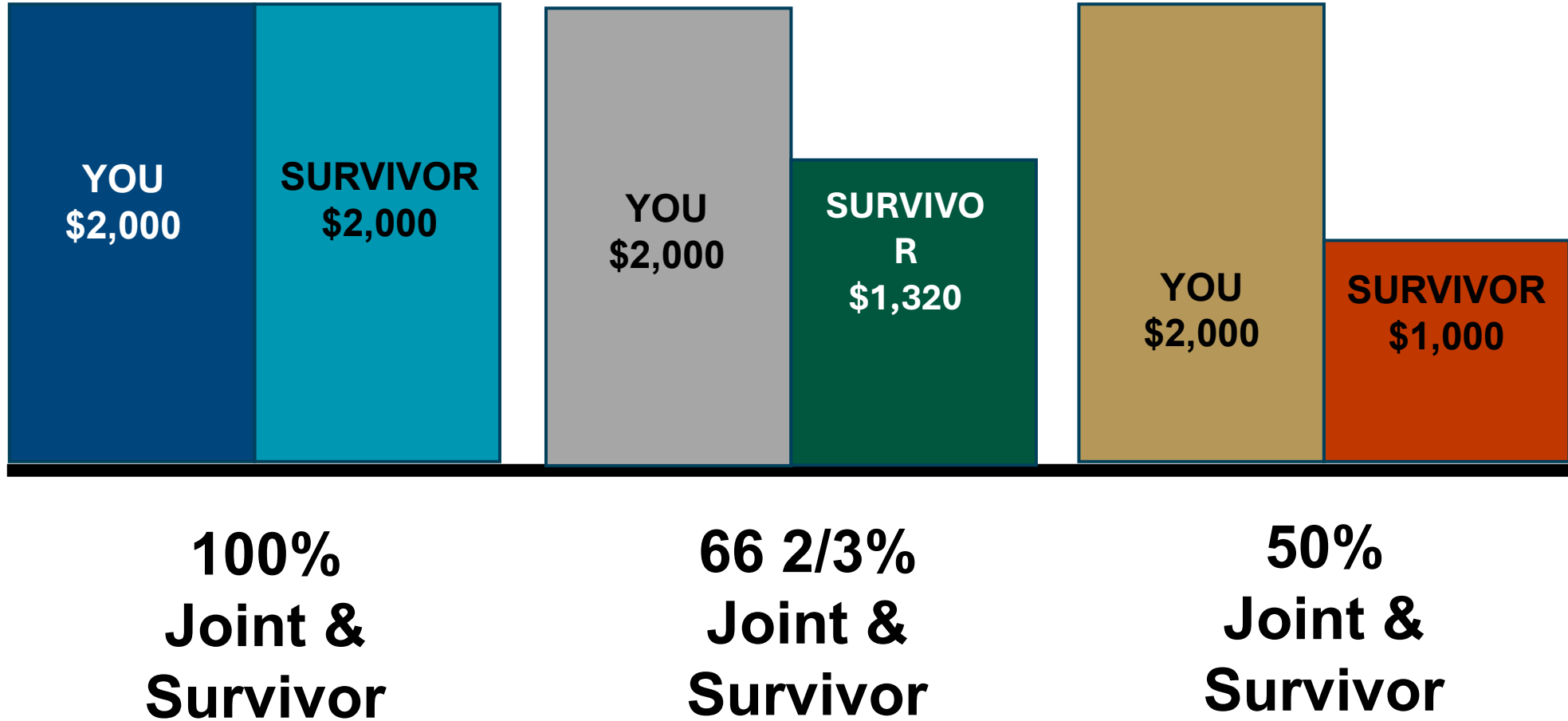
▶ Upon death:

▶ If number of years has elapsed, no further payment to beneficiary.

▶ If participant dies prior to elected number of years have become payable, remainder of payments will be payable to beneficiary.



# Survivor Payment Options





# Lump Sum Payment Option

- ▶ **One-time lump sum payment**
- ▶ **No monthly benefit payable for life**
- ▶ **Present value of accrued vested benefit**
- ▶ **Lump Sum payment option is subject to change each year**





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**Pension Administration Division**

# Virginia Retirement System

VRS Plan 1 & 2 - 1.800.827-3847

DB Hybrid - 1.855.291.2285

DC Hybrid - 1.877.327.5261

[www.varetire.org](http://www.varetire.org)





# What VRS Plan Are You In?

## VRS Plan 1

Hired Prior to July 1, 2010  
Vested on Jan 1, 2013

## VRS Plan 2

Hired After June 30, 2010  
Not Vested on Jan 1, 2013

## Hybrid

Hired On or After  
January 1, 2014



*A Deputy Sheriff, Medic or Fire Marshal hired on or after January 1, 2014, without prior VRS service is exempt from being a member in the VRS Hybrid Retirement Plan. However, if they were hired after January 1, 2014 as a Deputy Sheriff, Medic or Fire Marshal, and if they later transfer to a covered VRS position that is not a Deputy Sheriff, Medic or Fire Marshal, then they will become a Hybrid member on the date of change.*



# Contributions

The City makes employer contributions to VRS for covered employees.

Employer contribution rate is 10.54% for FY 2026.

Employee contributes 5%





# Contributions - Hybrid

- ▶ The City contributes a total of 10.54% of base salary.
- ▶ Employee contributes a minimum at 5% of base salary.
  - ▶ 4% goes to the Defined Benefit Component
  - ▶ 1% (Employee) & 1% (Employer) goes to Defined Contribution Component





# Benefit Calculation

**% x**

**MULTIPLIER**



**Average  
Earnings**

**x**



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SERVICE**



# VRS Benefit Formula

VRS Plan	Formula
Plan 1	$1.7\% \times \text{AFC} \times \text{CS}$
Plan 2	$1.65 \times \text{AFC} \times \text{CS}$ accrued after 2012, plus $1.7\% \times \text{AFC} \times \text{YOS}$ accrued before 2013
Hybrid	$1.0\% \times \text{AFC} \times \text{CS}$ Plus Money in defined contribution (DC) funds
AFC = Average Final Compensation CS = Credited Service	



# Retirement Plans Contributions for Regular, Full-time General Schedule Employees Hired After January 1, 2014

## Participating in Virginia Retirement System (VRS) Hybrid Retirement Plan

A. Mandatory Retirement Plans	Required or Voluntary Contributions	Pre-tax or After-tax Deduction	Employee Contribution Percentage	City* Matching Contributions	Deduction Name on Paycheck
1) City of Alexandria Supplemental Retirement Plan	Required	Pre-tax	2%		SUP Ret 2% EE
1) Virginia Retirement System Hybrid Retirement Plan (VRS) a) Defined Benefit Component b) Defined Contribution Component Total Required VRS Hybrid Contributions	Required Required	Pre-tax Pre-tax	4% <u>1%</u> 5%	1%	VRS HY DB VRS HY DC
a) Voluntary Contributions to VRS Hybrid 457 Deferred Compensation Plan	Voluntary	Pre-tax	0.5 – 4%**	0.5% - 2.5%	VRS 457 DC
Total <u>Required</u> Employee Contributions plus Total <u>Voluntary</u> Contributions allowed			7% plus Up to 4%		



## VRS Hybrid Retirement Plan Contribution Rates for DB and DC Components

### Fiscal Year July 2025 – June 2026

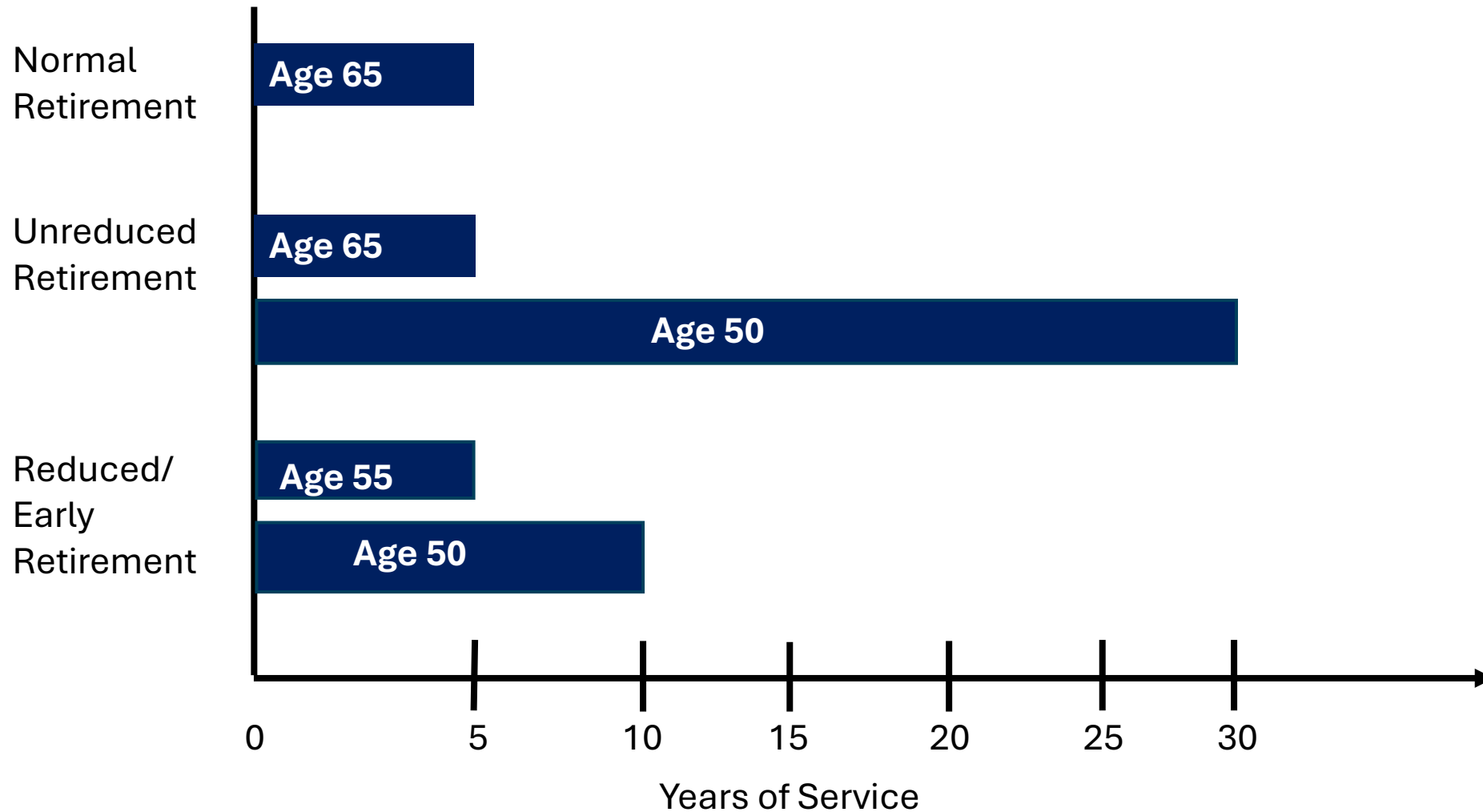
	Total Contributions		Defined Contribution Contributions To Voya Financial				Defined Benefit Contributions To VRS	
	A	B	C	D	E	F	G	H
	Employee	Employer	Employee Mandatory 401(a)	Employer Mandatory 401(a)	Employee Voluntary 457	Employer Match for Voluntary 401(a)	Employee Defined Benefit	Employer Defined Benefit
<b>1</b>	<b>5.00%</b>	<b>11.54%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>4.00%</b>	<b>10.54%</b>
<b>2</b>	5.50%	12.04%	1.00%	1.00%	0.50%	0.50%	4.00%	10.54%
<b>3</b>	6.00%	12.54%	1.00%	1.00%	1.00%	1.00%	4.00%	10.54%
<b>4</b>	6.50%	12.79%	1.00%	1.00%	1.50%	1.25%	4.00%	10.54%
<b>5</b>	7.00%	13.04%	1.00%	1.00%	2.00%	1.50%	4.00%	10.54%
<b>6</b>	7.50%	13.29%	1.00%	1.00%	2.50%	1.75%	4.00%	10.54%
<b>7</b>	8.00%	13.54%	1.00%	1.00%	3.00%	2.00%	4.00%	10.54%
<b>8</b>	8.50%	13.79%	1.00%	1.00%	3.50%	2.25%	4.00%	10.54%
<b>9</b>	9.00%	14.04%	1.00%	1.00%	4.00%	2.50%	4.00%	10.54%

**Notes**

- VRS Hybrid 457 account is a separate plan from the City of Alexandria 457 Deferred Compensation Plan, administered by Voya Financial
- DB = Defined Benefit component
- DC = Defined Contribution component
- Employee Voluntary contributions can be changed monthly. Employees must enter elections and changes with Voya prior to 4:00 p.m. on the last business day of the month to be effective in the first available pay period of the following month.



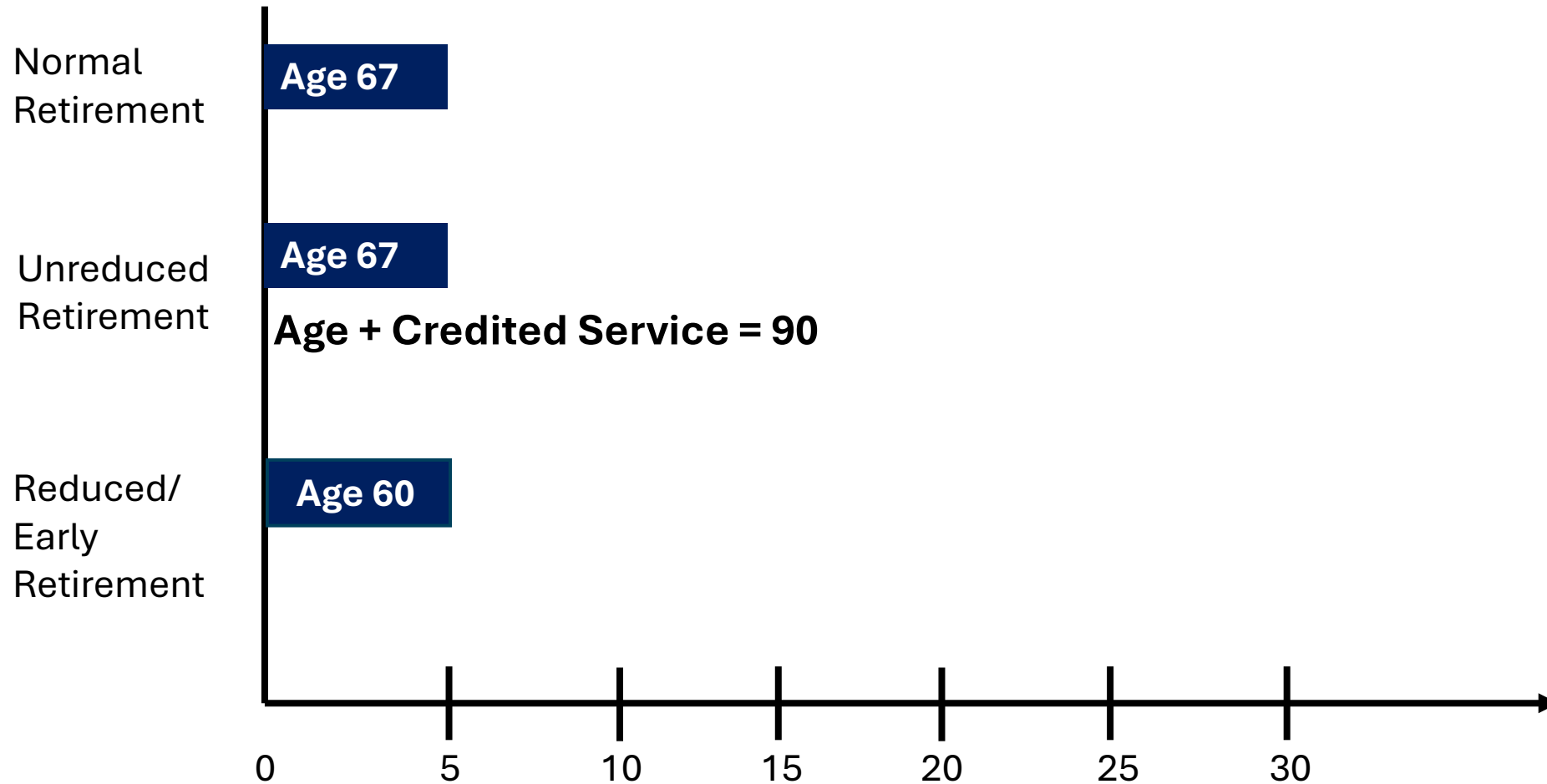
# Eligibility – VRS Plan 1 & Alternate Hazardous Duty Plan 2



**Medics and Fire Marshals in Plan 2 use Plan 1 rules for eligibility.**

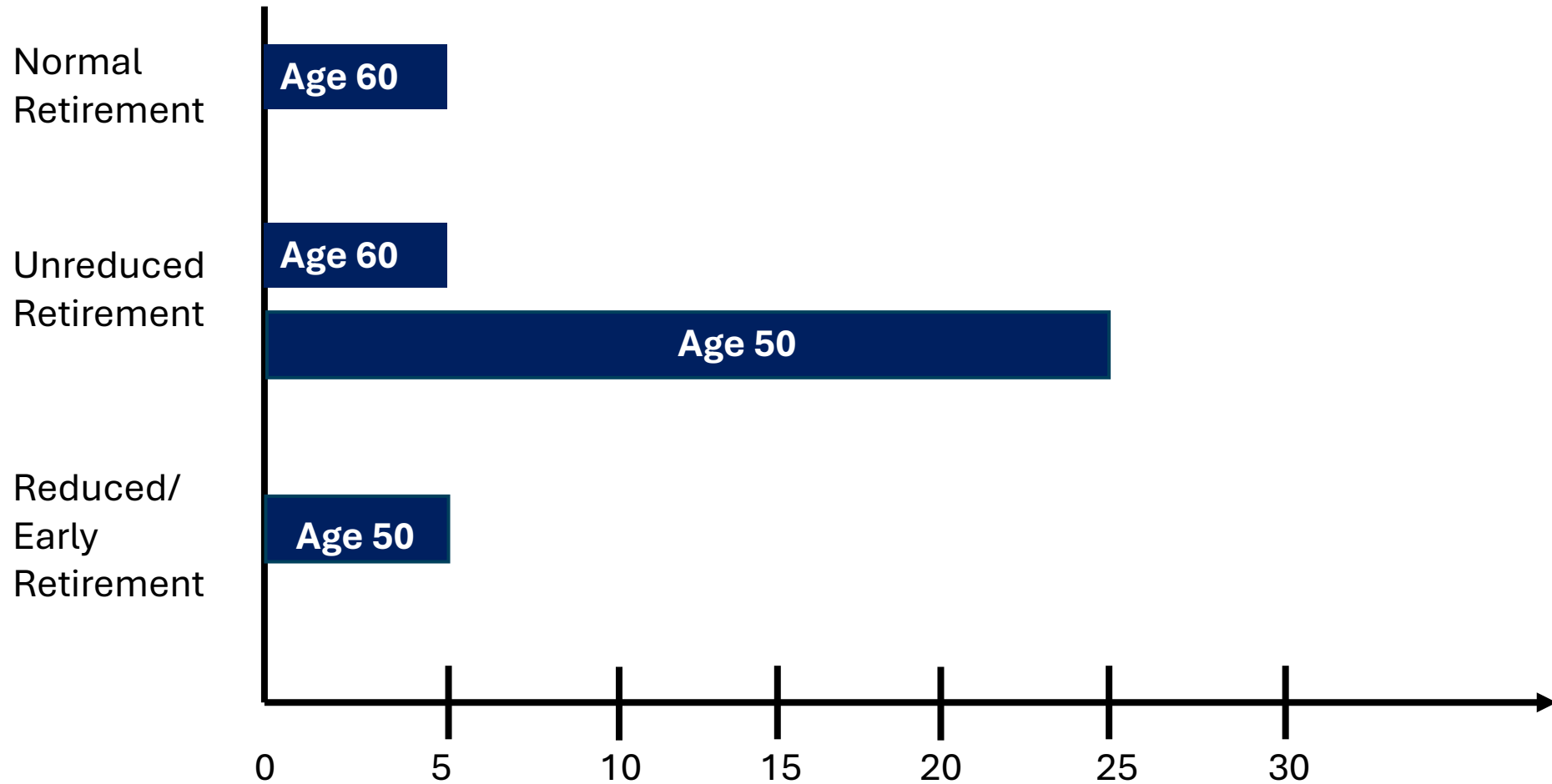


# Eligibility – VRS Plan 2 and Hybrid





# Eligibility – Deputy Sheriffs





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# Payment Options



# Basic Benefit Payment Option

- ▶ Monthly lifetime benefit
- ▶ Named beneficiary eligible for a lump-sum payment of any funds remaining in contributions account upon death





# Survivor Payment Option

- ▶ Monthly lifetime benefit
- ▶ Named survivor(s) can receive a monthly benefit upon death of retiree
- ▶ Elect between 10% and 100% to go to your survivor
- ▶ If survivor dies, you can name a new survivor or revert to the Basic Benefit Payment Option





# Partial Lump-Sum Option Payment (PLOP)

- ▶ Eligible participant may elect to have up to three years worth of retirement salary payable in a lump sum with a reduced accrued pension benefit.
- ▶ Receive part of the pension upfront as a PLOP in exchange for a lifetime of reduced monthly payments.
- ▶ Work at least one year beyond unreduced retirement eligibility date.





# Partial Lump Sump (PLOP) Amounts

Active Service Beyond Unreduced Retirement Eligibility Date	PLOP Amount	Example (Based on a VRS Plan 1 member with 33 years of service credit and \$48,000 in average final compensation.)
12 months	1 x annual Basic Benefit amount (one-year PLOP)	\$26,928
24 months	1 or 2 x annual Basic Benefit amount (one- or two-year PLOP)	\$26,928 or \$53,856
36 months or more	1, 2, or 3 x annual Basic Benefit amount (one-, two- or three-year PLOP)	\$26,928, \$53,856 or \$80,784



# Advanced Pension Payment Option

- ▶ Increases your monthly benefit temporarily
- ▶ Monthly benefit reduced at age you choose between 62 and Social Security Full Retirement Age
- ▶ Some limitations
- ▶ Basic life annuity – Basic benefit only; cannot elect survivor payment options
- ▶ See Advance Pension Options section of Getting Ready to Retire and the VRS website





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# Domestic Relations Order



# Domestic Relations Order



Court-issued document required to divide retirement plan assets as part of a divorce.



Can take place before, during, or after retirement.



Divorce document may indicate that your ex-spouse can file a DRO; if it's accepted it becomes a QDRO and the plan must honor and pay to your ex-spouse as indicated in the QDRO.



In order to apply for retirement benefits, provide copy of divorce documents & Q/DRO to Pension Administration.



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# Disability Retirement



# Pension Plans with Disability Retirement

- ▶ VRS Plan 1
- ▶ VRS Plan 2
- ▶ Supplemental Retirement Plan
- ▶ VRS Hybrid Plan does not have a disability retirement



# What is Disability Retirement

- ▶ Members who are unable to perform job because of disability that is likely to be permanent may apply to receive a disability retirement benefit.
- ▶ If vested, benefit is the higher of the VRS formula amount or the minimum guaranteed benefit.
- ▶ Benefit from 33 1/3% to 66 2/3% of the AFC
- ▶ VRS makes determination, not the City
- ▶ Under City Supplemental Plan must have been approved for Social Security disability benefits.



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# Purchase of Prior Service



# Purchase Service - VRS

- ▶ Purchase service from previous public employment, active-duty military service, eligible period of leave or VRS refunded service as service credit in your plan.
- ▶ Counts towards years of service to become vested or eligibility for retirement.
- ▶ Must be an active VRS member.
- ▶ Not eligible to purchase prior service if you are employed in a non-covered position, on LOA without pay, deferred member or retiree.

Go to [www.varetire.org](http://www.varetire.org) for more information.



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# Ready to Retire?



# Planning & Preparing for Retirement

- ▶ Login to Empower and VRS to run benefit estimates
- ▶ Set a retirement date
  - ▶ Always the 1st of the Month, following last day of employment
- ▶ Gather documentation
  - ▶ Birth documents
  - ▶ Survivor documents
  - ▶ Divorce documents – Divorce decree / property settlement
- ▶ Update beneficiaries
- ▶ Schedule an appointment with a Retirement Specialist
  - ▶ 3 – 4 months prior to retirement date





# Pension Payments

- ▶ VRS pays on the first of the month for the previous month.
  - ▶ Payment received on April 1<sup>st</sup> is for the month of May
- ▶ Supplemental Retirement Plan pays on the 1<sup>st</sup> of the month for the current month.
  - ▶ Payment received on April 1<sup>st</sup> is for the month of April
- ▶ Taxes
  - ▶ Federal and State tax withholding





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# **Cost of Living Adjustment (COLA)**



# Cost of Living Adjustment (COLA)

- ▶ Supplemental Retirement Plan does not have a COLA component.
- ▶ VRS defined benefit has COLAs to assist with rising costs.
  - ▶ Plan 1 members – maximum COLA is 5%
  - ▶ Plan 2 and Hybrid members – maximum COLA is 3%
- ▶ COLA is based on the annual monthly average of the Consumer Price Index.





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# Working after Retirement



# Work After Retirement

- ▶ Must have at least one full calendar month break in service.
- ▶ No pre-arranged return to work with employer prior to retirement.
- ▶ VRS pension will stop if position is covered by the Virginia Retirement System.
- ▶ Supplemental Retirement Plan pension will stop if position is benefits eligible.
- ▶ Pension will resume when you retire again.



# What if I am not yet ready to retire?

- ▶ Leave contributions with retirement plan and defer until eligible for retirement.
- ▶ Option to take a refund of accumulated contributions, no longer eligible for pension
  - ▶ Paid directly – subject to tax withholdings and penalties
  - ▶ Rollover to Roth IRA or Employer Retirement Plan





Finance Department

**Pension Administration Division**

# Contact Us

*\*By Appointment Only\**

100 N Pitt Street

Suite 225

Alexandria, VA 22314

City Mailbox: 42

[retirement@alexandriava.gov](mailto:retirement@alexandriava.gov)

**Main: 703.746.3906**

Fax: 703.746.3943

Hours: 8 a.m. to 5 p.m.

[alexandria.gov/Pension](http://alexandria.gov/Pension)







# MissionSquare

RETIREMENT

Antoinette Guy

Wednesday, April 22, 2026

# City of Alexandria Pre-Retirement Overview

59202-1122-W820

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**MissionSquare**  
RETIREMENT

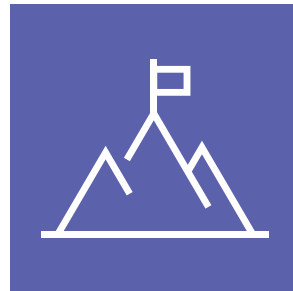


## A Thought....

**“Imagine it’s your first Monday of retirement. No alarm clock. No commute. The question is - are you financially ready to enjoy that freedom, or worried about how long your money will last?”**

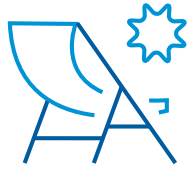


# When You Imagine Your Retirement, What do You See?





# Basic Considerations



What kind of retirement do you want?



When do you want to retire?



How long will retirement last?





# Basic Considerations

When do You Want to Retire?



- The earlier you retire, the shorter the period of time you have to accumulate funds and the longer those dollars will need to last
- Social Security isn't available until age 62
- Medicare eligibility begins at age 65





# Basic Considerations

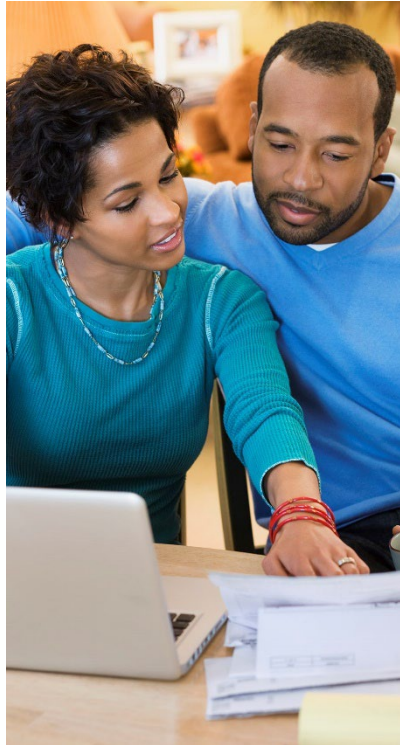
## How Long Will Retirement Last?



- Average 65-year-old American can expect to live another 19.5 years\*
- Average life expectancy is likely to continue increasing
- Retirement may last 25 years or more



# Retirement Plans Specialist



Your holistic  
financial overview

Your savings goals  
and objectives

Assistance from your  
Retirement Plans Specialist





**We Help Your  
Money Help You  
Retire**

**MissionSquare**  
RETIREMENT



# Crunching the Numbers

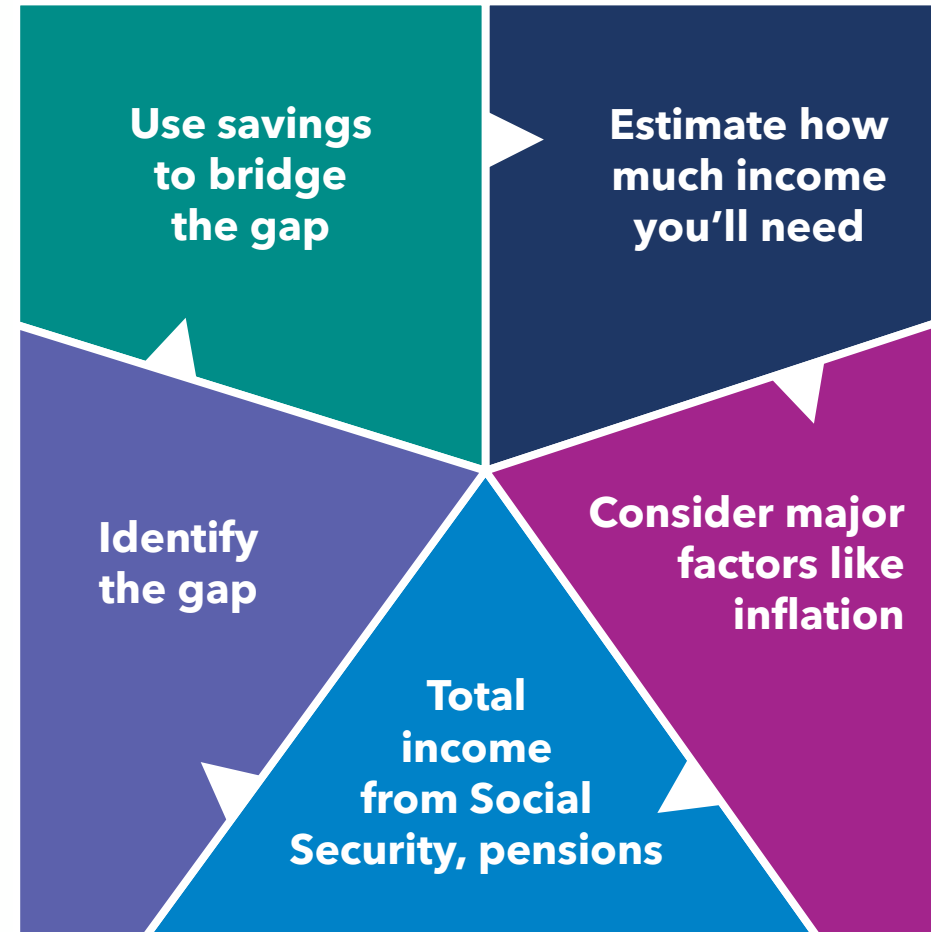
## Estimating Retirement Expenses

- General guidelines (e.g., you'll need 60% to 90% of pre-retirement income) are easy but often not helpful
- Think about how your actual expenses will change (e.g., mortgage may decrease, health care costs may increase)
- Include estimates for special retirement pursuits (e.g., travel, hobbies)





# Retirement Income Planning Process

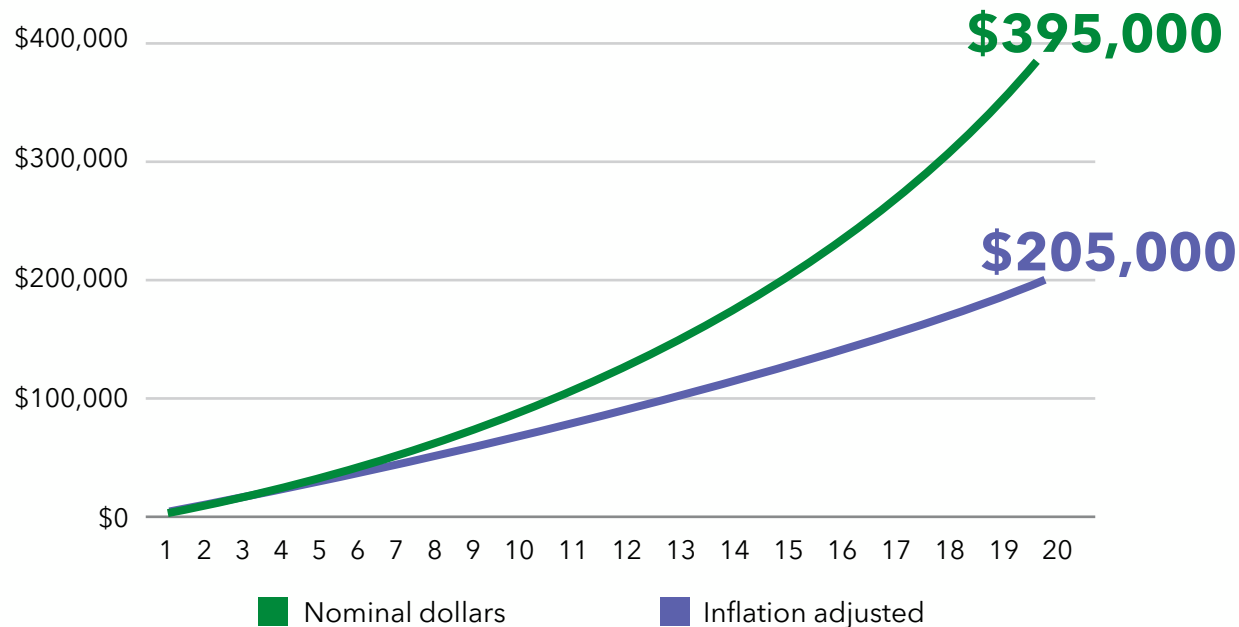




# Crunching the Numbers

## Account for Inflation

- Inflation reduces the purchasing power of today's dollars
- Average annual rate of inflation is 2.2% over last 20 years



- **\$5,000 invested annually**
- **6% rate of return**
- **2.2% annual inflation**



# Employer Voluntary Plans

## 457b #300760

*Employee Contributions Only*

*No Vesting Schedule*

**Pretax & Roth Contributions**

**\$10 Minimum Contribution**

**59 ½ Age & 5 Year Rule (Roth)**

**Voluntary Enrollment**

**Pretax - Unforeseen Emergency  
Withdrawal**

**Pretax - Loan**

## Roth IRA #705415

*Employee After-Tax  
Contributions Only*

*No Vesting Schedule*

**Voluntary Enrollment**

**\$10 Minimum Contribution**

**59 ½ age & 5 Year Rule**

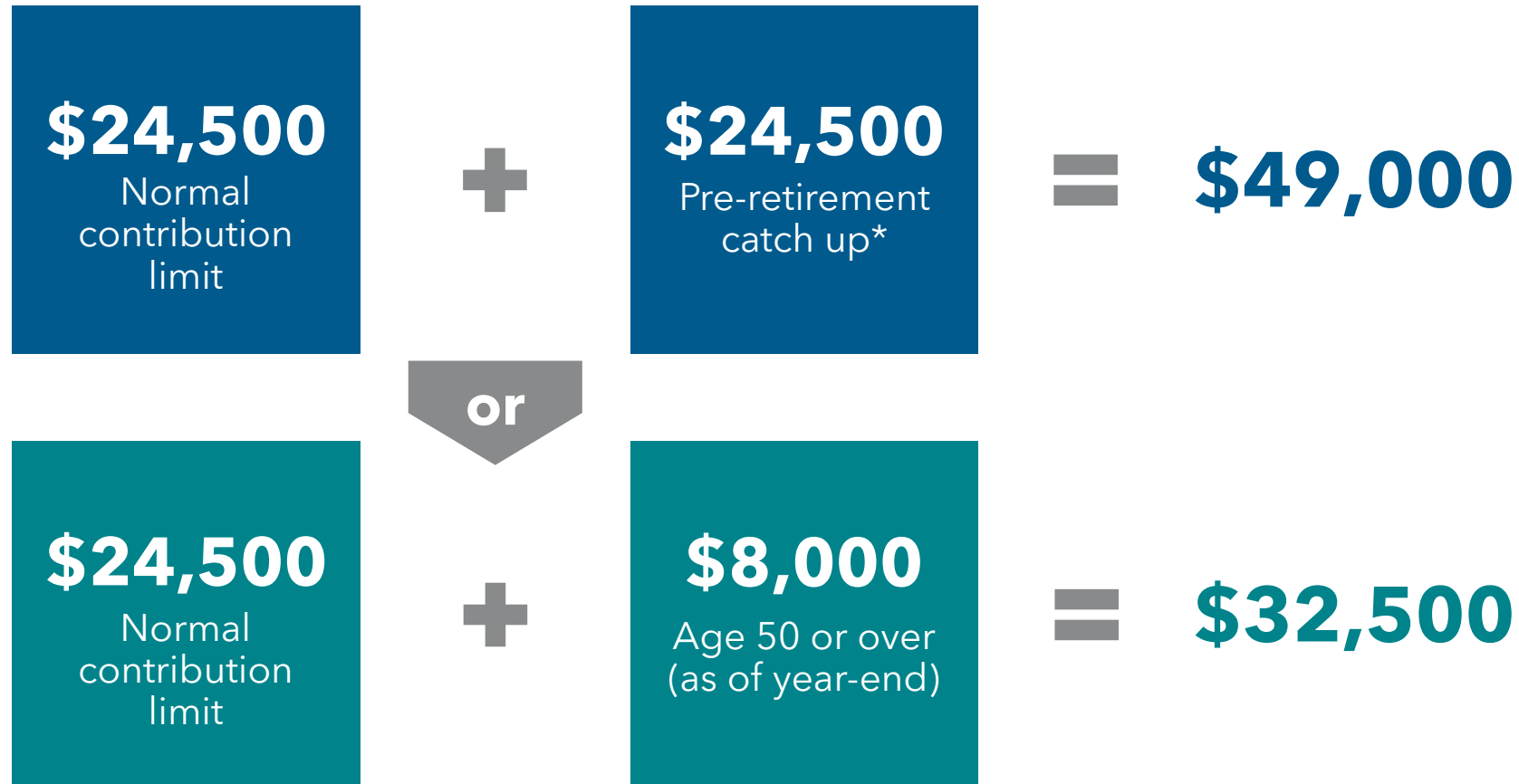
**10% Penalty**

**Access to Contributions**



# Save More With Flexible Contributions

2026 Contribution Limits – 401k & 457 Plans



\*During each of the three years prior to the year you reach your normal retirement age, as defined in the plan and based on extent to which maximum contributions not made in previous years.

Note: Pre-retirement and Age-50 Catch-up provisions cannot be combined in the same plan year



# What is a Payroll Roth IRA?

Payroll Roth IRA – Automatic, Convenient Paycheck Contributions



\* Earnings may be withdrawn tax- and penalty-free if you have owned a Roth IRA for at least a five-year period, as defined by the IRS, and have a qualifying event, including age 59 ½, a first-time home purchase, disability, or death. Otherwise, ordinary income and penalty taxes may apply. See IRS Publication 590.



# 2024 Contribution Limits – IRA

The diagram illustrates the 2024 IRA contribution limits. It consists of three main components: a green square on the left containing the text '\$7,000 Normal contribution limit', a plus sign in the center, a second green square containing the text '\$1,000 Age 50 or over (as of year-end)', an equals sign, and the final result '\$8,000'.

$$\begin{array}{l} \$7,000 \\ \text{Normal} \\ \text{contribution} \\ \text{limit} \end{array} + \begin{array}{l} \$1,000 \\ \text{Age 50 or over} \\ \text{(as of year-end)} \end{array} = \$8,000$$

\*During each of the three years prior to the year you reach your normal retirement age, as defined in the plan and based on extent to which maximum contributions not made in previous years.  
Note: Pre-retirement and Age-50 Catch-up provisions cannot be combined in the same plan year



# Diversify your Contributions with Roth

Roth contributions may make sense if you ...



Expect to pay higher tax rate  
**when you withdraw**



Want to **diversify your tax situation** –  
more flexibility when taking withdrawals



Want to pass on tax-free **assets to heirs**



# When Can I Receive My Money?

Withdrawal options:

- Pretax - At any age after employment separation
- Roth - 59 ½ & 5 Years
- Required minimum distribution after age 73 or separation from service

## 457 Deferred Compensation Plan

**No 10% IRS early withdrawal penalty tax\***

\*10% penalty may apply to any roll-in assets.



# When Can I Receive My Money?

- Tax-free withdrawals of your contributions at any time
- Tax-free withdrawals including your earnings\*
- You held the Roth IRA for at least 5 years and age 59 ½
- No required minimum distributions

## Roth IRA

\*Subject to IRA rules, penalty and tax may apply.



# Know Your Public Safety Employee Tax Benefits

- Up to \$3,000 per year tax-free to pay insurance premiums\*
- No penalty tax upon separation in year turn age 50 or later\*\*

**Do not apply to IRAs**

\* Eligibility rules and restrictions apply

\*\* 401 plans. Penalty tax does not apply to 457 plan contributions and associated earnings.



# Plan for Taxes

Withdrawals **taxable** as ordinary income

- Except after-tax contributions, Roth assets\*
- 20% withheld – you'll owe more or less than that
- State taxes may apply, too
- 10% penalty tax before age 59½ – 401 plans (not 457) and IRAs, unless exception applies\*\*

[www.missionsq.org/taxplanning](http://www.missionsq.org/taxplanning)

\* Earnings subject to tax if distribution is not qualified under IRS rules.

\*\* Non-457 plan assets rolled to a 457 plan and then withdrawn pre age 59½ may be subject to tax. For penalty tax exceptions, view IRS Form 5329 Instructions or your tax adviser. Note: ICMA-RC does not offer specific tax or legal advice.



# Know Your Withdrawal Options

You have flexible options upon separation

- Single payments – all or part of your balance
- Installment payments
  - Specified amount
  - Specified time period

Revise any time





# Don't take Withdrawals Unnecessarily

You don't have to withdraw.

- You can continue to...
  - Allow your funds to grow
  - Receive tax advantages
  - Get help and advice





# Simplify your Retirement Accounts

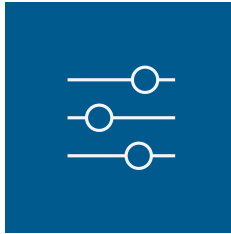
A central graphic consisting of a large dark blue square with the text "MissionSquare Retirement Account" in white. The square is surrounded by four smaller colored rectangles: a purple one on the left, a dark blue one on the right, and a teal one at the bottom.

**MissionSquare  
Retirement Account**

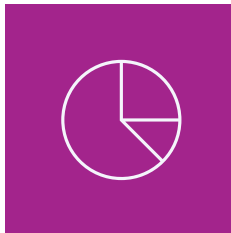




# Choose Your Investing Approach



- 1. I want to build my own portfolio**  
Stock, bond, stable value fund



- 2. I want a simple, yet diversified portfolio**  
Target date fund



- 3. I want someone to do it for me**  
Account managed for you





# Making it Easier for you to Envision Retirement

MORNINGSTAR Retirement Manager

 Profile

Need a plan for your plan?  
We'll help you focus.

Give us 10 minutes, and we'll walk you through how much to save, where to invest it and options for managing your money going forward.

(Seriously. You'll spend more time choosing which movie to rent.)

[Want to see our Privacy Policy?](#)

[Let's Get Started](#)



# CFP® Planning Services

## Financial planning services

Balances of \$100,000 or more

- Free CFP® professional consultations
- Social Security analyzer
- Free financial plans

## Personal planning services

Balances of \$500,000 or more

- Dedicated CFP® professional
- Comprehensive financial plans with ongoing updates and services



Easy access to webinars led by our CFP® professionals:

[www.icmarc.org/cfpwebinars](http://www.icmarc.org/cfpwebinars)

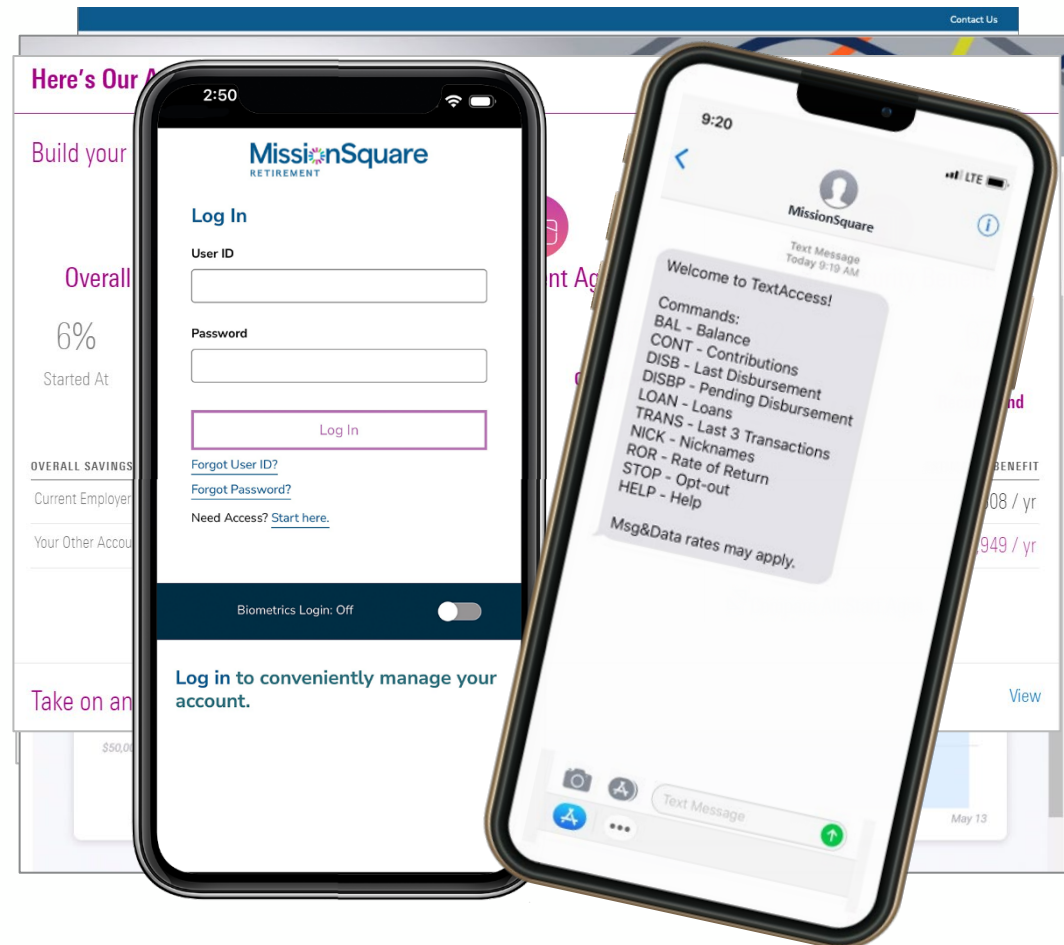


# Investing and Educational Resources

## Account Access

◀ CLOSE

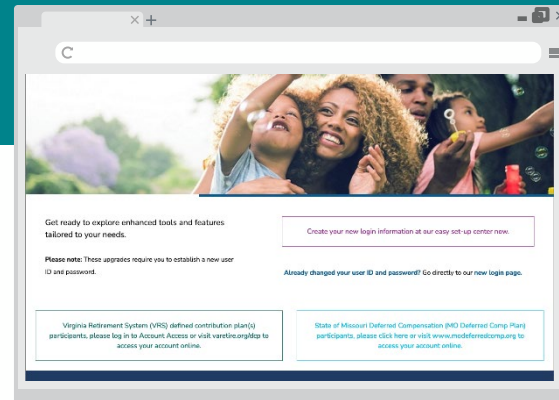
- Manage your account on mobile
- Text commands for balance, contributions, and more





# Get the Most from Your Account Online

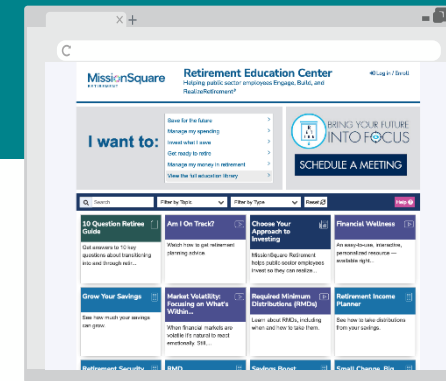
## Account Access



Access your account wherever  
you are

[www.missionsq.org/login](http://www.missionsq.org/login)

## Retirement Education Center



Get tips and tools to help you save,  
invest, retire

[www.missionsq.org/education](http://www.missionsq.org/education)



# Why stay with MissionSquare?

**1**

**Continued help from** your MissionSquare representatives

## **Retirement Plans Specialist**

Questions about your  
retirement accounts

## **CERTIFIED FINANCIAL PLANNER™ professional**

Help with your overall  
personal finances



# Beneficiaries



# Choose your Beneficiaries



- Your assets **paid per your wishes**
- Avoid **probate costs**, delays
- Avoid **creditor claims**
- Loved ones can receive **more tax benefits**



## **Review periodically and after a major life event.**

Married participants – Most **401** plans require your spouse to be the primary beneficiary for 100% of the account unless your spouse waives this right.



# Thank You!

Retirement account questions

## **Antoinette Guy**

(202) 759-7121

[aguy-wharton@missionsq.org](mailto:aguy-wharton@missionsq.org)

## **Participant Services**

(800) 669-7400





**Questions?**





# Disclosures

1. The performance quoted represents past performance, is no guarantee of future results, and is annualized for periods greater than one year. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance shown. For current performance, contact MissionSquare Retirement by calling (800) 669-7400 or by visiting [www.missionsq.org](http://www.missionsq.org).
2. Indexes and peer groups are not available for direct investment. Indexes are unmanaged and do not reflect the costs of portfolio management or trading. A fund's portfolio may differ significantly from the securities held in the indexes or by peers.
3. Stock performance is the S&P 500 Index which consists of 500 companies representing larger capitalization stocks traded in the U.S.
4. Balanced performance is the combination of 60% the S&P 500 Index and 40% a blended bond index (1926-1975 Long-Term Government Bonds, 1976-present Bloomberg U.S. Aggregate Bond Index).
5. Bond performance is a blend of the Long-Term Government Bond Index (1926-1975) and the Bloomberg U.S. Aggregate Bond Index (1976-present). The Bloomberg U.S. Aggregate Bond Index consists of investment-grade U.S. fixed income securities.
6. Cash & Equivalents (C&E) performance is the IA SBBI US 30 Day T-Bill Index.





# The Basics of Medicare

Darrien Banks

Wednesday, April 22, 2026



# The basics of Medicare

City of Alexandria

Darrien Banks  
Senior Retiree Consultant  
4/22/26

# What is Medicare?

Medicare is a federal health insurance program that provides health care coverage to millions of Americans. It's part of Social Security and is designed to protect the health and well-being of those who use it.

# Who can enroll in Medicare?

## You're eligible for Medicare if you:

- Are 65 or older
- Are under 65 but live with a disability
- Have end-stage renal (kidney) disease (ESRD)
- Have amyotrophic lateral sclerosis (ALS)

You also need to be a U.S. citizen or a permanent legal resident for at least 5 years.



# What are the 4 parts of Medicare?



## PART A

Hospital insurance



## PART B

Medical insurance



## PART D

Prescription drug coverage



## PART C

Medicare Advantage

Original Medicare

Part C, Medicare Advantage plans = Parts A, B, and usually D bundled into one plan

# Hospital insurance

## Part A



### What it covers

- Hospital
- Hospice
- Skilled nursing care
- Some home health care

### Cost

- No premium if you or your spouse worked at least 10 years and paid Medicare taxes
- Monthly premium of **\$505** (set by Medicare formula) if you worked fewer than 10 years\*

\*Amount is for **2025**.

# Medical insurance

## Part B



### What it covers

- Outpatient hospital care
- Lab and X-rays
- Ambulance
- Dialysis
- Preventive care
- Durable medical equipment
- Mental health

### Cost

- Based on household income reported on retiree tax return 2 years earlier
- Usually deducted from Social Security check

### 10% lifetime penalty

If you delay enrollment, your Part B premiums will increase 10% every 12 months, and the higher rate lasts as long as you have Part B coverage. The penalty won't be imposed if you continue to work for and get your health coverage from an employer or trust fund with 20 or more employees.

# 2026 Monthly premiums

## Part B



### 2026 Medicare Part B Monthly Premiums

File individual tax return*	File joint tax return*	You Pay
\$109,000 or less	\$218,000 or less	\$202.90*
\$109,001 to \$137,000	\$218,001 to \$274,000	\$284.10
\$137,001 to \$171,000	\$274,001 to \$342,000	\$405.80
\$171,001 to \$205,000	\$342,001 to \$410,000	\$527.50
\$205,001 to \$500,000	\$410,001 to \$750,000	\$649.20
above \$500,000	above \$750,000	\$689.90

\*Modified adjusted gross income as reported on your 2024 IRS tax return.

† You will pay this standard amount if you: 1) enroll in Part B for the first time in 2026, 2) do not get Social Security benefits, 3) are directly billed for your Part B premiums. See [medicare.gov](https://www.medicare.gov) for complete details.

You must reside in the Kaiser Permanente Medicare health plan service area in which you enroll.

# When to enroll in Medicare Parts A and B

## Initial enrollment

**Turning 65** — You have a 7-month window to sign up for Parts A and B when you turn 65. The window starts 3 months before your birthday.

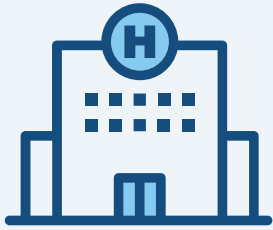
## Special enrollment

**When you retire** — You can enroll in Medicare Parts A and B without a late-enrollment penalty for 8 months after your retirement date.

## General enrollment

**January 1 to March 31** — Your coverage starts the first day of the month after you sign up.





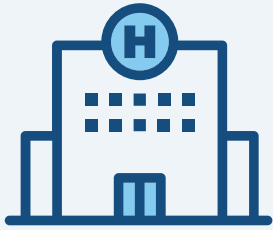
# Enrolling in Medicare Parts A and B when you're first eligible

## Initial enrollment period

You can first sign up for Medicare Parts A and B during this 7-month period around your 65th birthday.

- 3 months before your 65th birthday
- The month of your 65th birthday
- 3 months after your 65th birthday

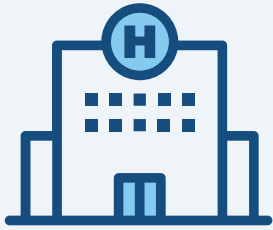




## Working past 65? Enrolling in Medicare Parts A and B after you retire

### Special enrollment period

- This is an 8-month period in which you can enroll if you retire after you turn 65 or lose your job's health care coverage.
- Your coverage typically begins the month after Social Security gets your completed request.
- Usually, you won't pay a Part B late-enrollment penalty if you sign up during the 8-month special enrollment period.



# Enrolling late in Medicare Parts A and B

## General enrollment period

- If you didn't enroll during the initial enrollment period or don't qualify for the special enrollment period, you can enroll during the general enrollment period.
- The period **starts January 1** and **ends March 31** every year.
- Your coverage begins the first day of the month after you sign up.

## Late-enrollment penalty for Part B

If you enroll in Part B during the general enrollment period because you didn't enroll when you were first eligible, then you'll likely pay a late-enrollment penalty for as long as you have Part B coverage.

# Medicare Parts D and C

# Prescription drug coverage

## Part D



### What it covers

- Outpatient prescription drug coverage
- Available as part of health plan coverage or through a stand-alone prescription drug plan

### Cost

- Cost may vary depending on plan and drugs covered

### Late-enrollment penalty

If you delay enrolling in a Medicare Part D plan or aren't covered by a drug plan that meets Medicare's standard prescription drug coverage, then you'll likely pay a Part D late-enrollment penalty.

# Income-related monthly adjustment amount (IRMAA)

## Part D



Income-related monthly adjustment amount (IRMAA): The Part D IRMAA premium is in addition to your Part B premium. The amount you pay is determined according to formulas set by federal law.

Based on your 2024 yearly income, your 2026 Part D monthly cost is:

### 2026 Medicare Part D Premium Adjustment

File individual tax return*	File joint tax return*	You Pay (Monthly)
\$109,000 or less	\$218,000 or less	No Part D IRMAA Premium
\$109,001 to \$137,000	\$218,001 to \$274,000	\$14.50
\$137,001 to \$171,000	\$274,001 to \$342,000	\$37.50
\$171,001 to \$205,000	\$342,001 to \$410,000	\$60.40
\$205,001 to \$500,000	\$410,001 to \$750,000	\$83.30
above \$500,000	above \$750,000	\$91.00

**Note:** The above dollar amounts are for 2026 and may change in 2027.

These amounts change yearly based on your income and the federal formula.

## Medicare Part D Extra Help low-income subsidy program

- Aids Medicare beneficiaries who have limited income and resources and are enrolled in Part D
- Helps pay Part D premiums and outpatient drug copays
- Administered by your Medicare health plan for the Centers for Medicare & Medicaid Services
- Application available through Social Security or your state's Medicaid office



# Medicare Advantage

## Part C



### What it covers

- Part A
- Part B
- And sometimes:
  - Part D
  - Vision
  - Dental
  - Hearing and more

### Eligibility

- Be eligible for or enrolled in Medicare Part A and Part B
- Live in the plan's service area

### Cost

- Medicare pays an amount for your coverage each month to private health plans.
- Some plans have additional monthly premiums; in many plans, you pay a copay for covered services.

# Get the information you need

## **Kaiser Permanente Member Services**

<1-800-443-0815 (TTY 711), 7 days a week, 8 a.m. to 8 p.m.>

## **Medicare information**

<1-800-MEDICARE (1-800-633-4227), (TTY 1-877-486-2048), 24 hours a day, 7 days a week.>

## **Social Security Administration**

Learn more about eligibility, how to sign up for Parts A and B, and about your Part B premium.

<1-800-772-1213 (TTY 1-800-325-0778), Monday through Friday, 8 a.m. to 7 p.m.>

Kaiser Permanente is an HMO plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal. You must reside in the Kaiser Permanente Medicare health plan service area in which you enroll.





DEPARTMENT OF HUMAN RESOURCES

# City of Alexandria Retiree Benefits

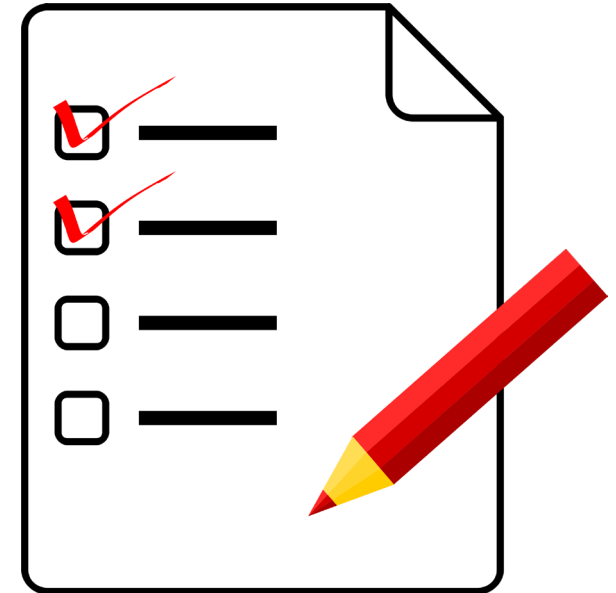
Qiana Ray

Wednesday, April 22, 2026



# Agenda

- ▶ Medical Plans
  - ▶ Eligibility
  - ▶ Plan choices
  - ▶ Cost
- ▶ Dental and Vision
- ▶ Life Insurance
- ▶ Leave Accruals
- ▶ Frequently Asked Questions





# Health Insurance Benefits Overview

## ▶ Eligibility:

- ▶ Retires under a Primary City sponsored retirement plan (VRS, Police and Fire)
  - ▶ **MUST be enrolled in a City Medical Plan at the time of retirement**
  - ▶ 5 years of vested service
- 
- ▶ Can cover spouse and dependent children (to age 26) or make changes due to a life event (marriage, divorce, death, move out of area, etc. within 30 days)
  - ▶ Available to covered surviving spouses and children (to age 26)
- 
- ▶ **Components:** Kaiser, United HealthCare and the Reimbursement Program
  - ▶ If you enroll in the Reimbursement Program you will be allowed to switch back to United HealthCare or Kaiser. (During open enrollment or a Life Event)
- 
- ▶ **Retiree Health Supplement:** maximum City contribution is \$260.00 per month (depending on years of service)





# Medical Plans

## ▶ **Under 65:**

- ▶ You can continue medical coverage as a retiree; the open enrollment period to make plan changes is each May for coverage effective July 1
- ▶ Plan year is July-June (same as active employees)



# FY 2026 Monthly Rates

	UNITEDHEALTHCARE MEDICAL PLANS		
	Retiree*	City Subsidy**	Total Premium
<b>CDHP</b>			
Retiree Only	\$633.42	\$260.00	\$893.42
Retiree + Spouse	\$1,556.19	\$260.00	\$1,816.19
Retiree + Child(ren)	\$1,258.85	\$260.00	\$1,518.85
Family	\$2,157.67	\$260.00	\$2,417.67
<b>CHOICE</b>			
Retiree Only	\$738.29	\$260.00	\$998.29
Retiree + Spouse	\$1,712.16	\$260.00	\$1,972.16
Retiree + Child(ren)	\$1,437.09	\$260.00	\$1,697.09
Family	\$2,738.27	\$260.00	\$2,998.27
<b>CHOICE PLUS</b>			
Retiree Only	\$932.35	\$260.00	\$1,192.35
Retiree + Spouse	\$2,093.55	\$260.00	\$2,353.55
Retiree + Child(ren)	\$1,767.00	\$260.00	\$2,027.00
Family	\$3,317.08	\$260.00	\$3,577.08



# FY 2026 Monthly Rates

	KAISER PERMANENTE MEDICAL PLANS		
	Retiree*	City Subsidy**	Total Premium
<b>CDHP</b>			
Retiree Only	\$444.42	\$260.00	\$704.42
Retiree + Spouse	\$1,106.57	\$260.00	\$1,366.57
Retiree + Child(ren)	\$937.51	\$260.00	\$1,197.51
Family	\$1,853.26	\$260.00	\$2,113.26
<b>DHMO</b>			
Retiree Only	\$599.46	\$260.00	\$859.46
Retiree + Spouse	\$1,407.35	\$260.00	\$1,667.35
Retiree + Child(ren)	\$1,201.08	\$260.00	\$1,461.08
Family	\$2,318.37	\$260.00	\$2,578.37
<b>HMO</b>			
Retiree Only	\$714.41	\$260.00	\$974.41
Retiree + Spouse	\$1,630.35	\$260.00	\$1,890.35
Retiree + Child(ren)	\$1,396.49	\$260.00	\$1,656.49
Family	\$2,663.22	\$260.00	\$2,923.22



# Medical Plans

- ▶ Over 65:
  - ▶ Choose between United HealthCare Medicare Advantage Plan, Kaiser Medicare Advantage or the Reimbursement Plan. You can change at open enrollment each November for coverage effective January of the following year
  - ▶ MUST enroll in Medicare Parts A&B (copy of Medicare ID Card is required)
    - ▶ Contact HR (DHR.Benefits@alexandriava.gov or Qiana.Ray@alexandriava.gov)
    - ▶ 90 days before you turn 65 to get the process going
- ▶ Plan year is January-December due to Medicare



# Retiree Health Supplement

- ▶ Hired prior to July 1, 2008 – up to \$260 per month
- ▶ Hired after July 1, 2008
  - ▶ At least 25 years of service – up to \$260 per month
  - ▶ Less than 25 years of service – pro-rated by years of service
- ▶ Enrolled in Medical Plan - City pays supplement directly to United HealthCare or Kaiser. Your cost is debited from your bank account on 15th of each month. If it is a holiday or weekend it will be the next business day
- ▶ Enrolled in Reimbursement Plan - submit documentation on premium costs each year. Reimbursement is deposited in your bank account on 15th of each month

## Hired after 7/1/2008

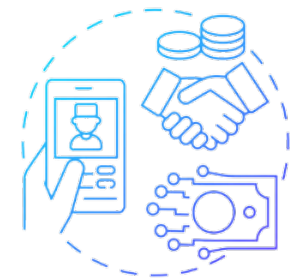
Years of Service	Maximum Supplement per month
Less than 5	None
5	\$52
10	\$104
15	\$156
20	\$208
25	\$260



# Reimbursement Program

## Key Provisions

- ▶ **Eligibility:** (1) Retire from the City with appropriate retirement benefits  
(2) Be enrolled in a City sponsored health plan at date of retirement
  
- ▶ **Reimbursement Amount:** Actual cost of medical plan of your choice up to a maximum of \$260 monthly
  
- ▶ **Process:** (1) Complete Reimbursement Statement  
(2) Furnish proof Of health insurance payments monthly
  
- ▶ **Payment:** Received 15th of each month through ACH



REIMBURSEMENT



# Monthly Rates for 7/1/25 – 6/30/26

- ▶ Group Dental and Group Vision may be continued until age 65 and then for up to 18 months under COBRA.
- ▶ Cost for COBRA is the employee group rate plus 2%

## MONTHLY DENTAL PREMIUMS

Coverage Level	DMO	PPO
Retiree	\$16.00	\$38.42
Retiree + Spouse	\$27.53	\$79.48
Retiree +Child(ren)	\$23.20	\$66.95
Family	\$36.23	\$104.54

## MONTHLY VISION PREMIUMS

Coverage Level	PPO
Retiree	\$8.54
Retiree + Spouse	\$20.43
Retiree +Child(ren)	\$14.47
Family	\$23.83



# Retiree Life Insurance Benefits

**Available only to those who were hired before July 1, 2009**

- ▶ Basic Life (two times salary) is paid by the City
- ▶ Supplemental Life (if elected, one or two times salary) is paid by the retiree
- ▶ Dependent Care (if elected, 3 levels) is paid by the retiree
  
- ▶ Full Basic and Supplemental Insurance amounts remain in effect until January 1 following the 65th birthday
  
- ▶ Reduction Schedule: 25% on January 1 following 65th birthday, then 10% per year for 5 years. On January 1 following the 70th birthday, the minimum amount is reached – 25% of the pre age 65 amount.
- ▶ Accidental Death & Dismemberment (AD&D) and Dependent Life end at retirement

Hired after July 1, 2009 – can convert active coverage to individual policy within 30 days of retirement – up to same level without Evidence of Insurability (if held for 5 years prior to retirement)

## Reduction Schedule

Age	Percentage
65	75%
66	65%
67	55%
68	45%
69	35%
70	25%



# Retiree Life Insurance Benefits

## Tax Consequences of Employer Provided Group-Term Life Insurance

- ▶ Amounts over \$50,000 are considered to have value (computed using the IRS table)
- ▶ This value is added to your taxable income
- ▶ The Added Yearly Taxable Income Amount is computed as follows:

$(\text{Thousands of Coverage} - 50) \times (\text{IRS Table Value}) \times 12 - .380 \times \text{Supplemental Coverage} \times 12$



# Retiree Leave Payouts

## Annual Leave

- ▶ Payment of all accrued annual leave up to the earnings cap  
Caps: For General Employees with 12+ years of service = 384  
For Firefighters who work 106 hours bi-weekly = 576

## Sick Leave

- ▶ Employees (except firefighters on unlimited sick leave) who have 20 years of service are eligible for payment of 25% of accrued sick leave

## Compensatory Time

- ▶ Payment of all compensatory time up to the amounts shown below

Employee Type	Maximum Balance
General Schedule	160
Sworn Law Enforcement / Fire Protection	240



# Frequently Asked Questions

- ▶ Where can I get information after I retire?
  - ▶ Go to [www.alexandriava.gov/HR#RetireesCorner](http://www.alexandriava.gov/HR#RetireesCorner) for most recent enrollment guide, forms and other information
- ▶ How do you enroll in Retiree Benefits?
  - ▶ Contact Benefits team two months in advance of planned retirement date to schedule a meeting:
    - ▶ Explain benefits options, costs and leave payouts
    - ▶ Provide forms/applications
    - ▶ Collect banking information for automated payments
- ▶ When can you change?
  - ▶ At retirement
  - ▶ At open enrollment for new plan year
  - ▶ Family status change within 30 days (marriage, divorce, death, move out of area, spouse loses coverage, spouse turns 65)
- ▶ What can you change?
  - ▶ Plan choice – Kaiser, United HealthCare, or Reimbursement Program for plan of your choice
  - ▶ Plan participants – you, spouse/domestic partner, dependent child(ren) to age 26

BENEFITS TEAM CONTACTS – [DHR.Benefits@alexandriava.gov](mailto:DHR.Benefits@alexandriava.gov)

Benefits Team	703.746.3777	<a href="mailto:DRH.Benefits@alexandriava.gov">DRH.Benefits@alexandriava.gov</a>
Qiana Ray	703.746.3753	<a href="mailto:qiana.ray@alexandriava.gov">qiana.ray@alexandriava.gov</a>





# Frequently Asked Questions

How do I navigate Medicare and Medicare Supplemental Plans?

- ▶ Over age 65 Retiree Plans you must sign up for Medicare Part A and B to be eligible to enroll in a City plan
  - ▶ Medicare Advantage Plans are complete replacements for Medicare
  - ▶ Medicare Cost Plans coordinate with Medicare
- ▶ Pay Medicare Part B costs directly to Medicare
- ▶ Contact City HR for Medicare Plan Enrollment Kit three months before your 65th birthday
- ▶ Do not need to sign up for Medicare Part D to participate in City Plans (plans cover prescription drugs)
- ▶ If half of a couple is under 65 and the other is over 65, he/she may participate in a different plan just for that period of time (one in the Medicare-eligible plan and one in an active employee plan)
- ▶ If you are unsure about how to get Medicare coverage, contact Medicare at 1-800-MEDICARE or go to [www.medicare.gov](http://www.medicare.gov) three months before your 65th birthday
- ▶ If you prefer to enroll in a non-City supplemental plan, some places to begin shopping are:
  - ▶ [www.medicare.gov](http://www.medicare.gov)
  - ▶ [www.healthcare.gov](http://www.healthcare.gov)
  - ▶ [www.aarp.org](http://www.aarp.org)

