

RETIREMENT BENEFIT PLANS SUMMARY

GENERAL SCHEDULE EMPLOYEES (NON-PUBLIC SAFETY)

Administered by the Finance Department Pension Administration Division

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Pension Administration Division
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Walk-In Hours: Monday, Wednesday, and Friday 2:00 p.m. – 4:00 p.m. Please call for an appointment at other times.

Web sites: **alexandriava.gov/pension** or **AlexNet** (Finance/Pension/Retirement Villa) Pre-recorded retirement related information: **703.746.3906**
Web sites have plan information, including plan documents, for all of the City retirement and 457 Deferred Compensation Plans.

Virginia Retirement System (VRS) Employer ID 55200

The City participates in the VRS Retirement and the VRS Disability Retirement Plans. The City does not participate in the other programs that VRS offers including enhanced benefit program for hazardous duty employees, the Virginia Sickness and Disability Program, optional life and health insurance, or the VRS 457 and Cash Matched Plans.

Changes from the 2012 General Assembly session will impact employee contributions on July 1, 2012. Benefit changes will take effect on January 1, 2013. Additional benefit changes will take effect January 1, 2014, when the Hybrid plan goes into effect for employees hired after December 31, 2013. VRS will provide more information on the Hybrid plan during 2013.

Visit the VRS web site, www.varetire.org, for additional information. Be sure to view the correct section regarding your member type: a) Plan 1 member vested on January 1, 2013, b) Plan 1 member not vested on January 1, 2013, or c) Plan 2 member.

Type of Plan	Defined benefit pension plan
Eligibility	Regular, full time City employees who are not covered employees under the Firefighters & Police Officers Pension Plan are members. Part-time employees are not covered under VRS.

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Revised 07/01/2012

VRS Membership Date	<p>The first of the month hired if begin work as full-time employee <u>before</u> the 16th of the month. The first of the following month if begin work as a full-time employee <u>after</u> the 15th of the month.</p> <p>The VRS membership date will be different than the above for employees who have an earlier VRS membership date due to prior VRS service and who have not taken a refund of their <u>Plan 1 member contributions</u> (whether paid by the employee or a previous employer). Employees who received refunds of prior contributions also forfeited the service credit.</p>
Plan 1 or Plan 2 Member	<p><u>Plan 1</u>: If become VRS member prior to July 1, 2010, or if rehired into a VRS covered position after that and still have VRS Plan 1 service (i.e., did not take a refund of member contributions)</p> <p><u>Plan 2</u>: If become VRS member after June 30, 2010 or took refund of member contributions for Plan 1 service</p>
Member Contributions for service <u>prior</u> to July 1, 2012	<p><u>Plan 1</u>: City pays 5% of the member contribution</p> <p><u>Plan 2</u>: Employees pay 4% of the member contribution; City pays 1% of the member contribution</p>
Member Contributions for service effective July 1, 2012	<p><u>Plan 2 and employees hired or re-hired after June 15, 2012</u>: contribute 5% to VRS (even if they are Plan 1)</p> <p><u>Plan 1 Members employed with the City prior to June 16, 2012</u>: Employees will contribute 1% of the 5% member contribution and the City will contribute the additional 4% member contribution. The employee rate is scheduled to increase 1% each July until reaching 5% on July 1, 2016. The City will also decrease its share of the member contribution by the same percent until employees are contributing the full 5% member contribution. City Council has the right to expedite increasing the employee share up to 5% before July 1, 2016. <i>Any Plan 1 member <u>hired or rehired after June 15, 2012</u>, will contribute the full 5% member contribution.</i></p>
Employer Contributions	<p>The City also makes employer contribution to VRS for covered employees. The employer contribution for FY 2013 is 10.3%. Additionally, the City may still be making part of the 5% member contributions that Plan 1 employees are not contributing.</p>
Vesting	<p>Employees who have accrued five years of service in VRS are considered to be vested. Purchase service also counts toward vesting. Vested members are eligible to receive a monthly retirement benefit when they satisfy the age and service requirements listed below. Members accrue one month of vesting service for each month contributions are paid to VRS.</p>
Service Credit	<p>Member accrues one month of service credit for each month contributions are paid to VRS.</p>

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Benefit Formula	<p><u>Plan 1 vested on 1/01/2013</u>: 1.7% multiplied by Average Final Compensation multiplied by years of service credits</p> <p><u>Plan 1 not vested on 1/01/2013 and Plan 2</u>: 1.7% multiplied by Average Final Compensation multiplied by years of service credit accrued through December 31, 2012 PLUS 1.65% multiplied by Average Final Compensation multiplied by years of service accrued after 2012</p>
Creditable Compensation	Base salary City reports to VRS; excludes overtime, shift differential, bonuses, special pay, etc.
Average Final Compensation	<p><u>Plan 1 vested on 1/01/2013</u>: Average of the 36 <u>consecutive</u> months of creditable compensation providing highest average</p> <p><u>Plan 1 not vested on 1/01/2013 and Plan 2</u>: Average of the 60 <u>consecutive</u> months of creditable compensation providing highest average</p>
Normal Retirement Age	<p><u>Plan 1 vested on 1/01/2013</u>: age 65 with at least five years of service</p> <p><u>Plan 1 not vested on 1/01/2013 and Plan 2</u>: Social Security Normal Retirement Age [66 – 67 depending on year of birth] with at least five years of service</p>
Retirement - Unreduced	<p><u>Plan 1 vested on 1/01/2013</u>: At least age 65 with at least 5 years of service credit or at least age 50 with at least 30 years of service credit</p> <p><u>Plan 1 not vested on 1/01/2013 and Plan 2</u>: Social Security Normal Retirement Age with at least 5 years of service credit or when age and service credits equal 90 (Rule of 90)</p>
Retirement – Reduced/Early	<p><u>Plan 1 vested on 1/01/2013</u>: At least age 55 with at least 5 years of service credit or at least age 50 with at least 10 years of service credit</p> <p><u>Plan 1 not vested on 1/01/2013 and Plan 2</u>: Age 60 with at least 5 years of service credit</p>
Retirement Payment Options	Basic benefit pays you a lifetime monthly benefit; survivor benefit also provides a lifetime monthly benefit to your spouse or contingent annuitant after your death; Partial Lump-Sum Option Payment (PLOP) provides eligible employee (you must work 1, 2, or 3 full years after eligible for unreduced retirement) option to receive a lump sum payment plus a monthly benefit; Advance Pension Option allows you to temporarily increase your monthly benefit until receiving Social Security benefits.
Disability Retirement	Members who are unable to perform job because of disability that is likely to become permanent may apply to receive a disability retirement benefit. If the Member is vested, the benefit is the higher of the VRS formula amount

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	or the minimum guaranteed benefit. Non-vested member may only apply for the minimum guarantee benefit. The minimum guaranteed benefit ranges from 33 1/3% to 66 2/3% of the Average Final Compensation depending on whether disability is service related and if the member qualifies for Social Security benefits.
Death Benefits Before Retirement	Beneficiary may receive a lump-sum payment of member's contribution account; spouse, minor child, or parent may elect to receive a monthly benefit. If death is work related both lump-sum and monthly benefit may be paid.
Termination Prior to Retirement	Terminating members may request a refund of <i>member</i> contributions and interest. <i>Vested members</i> will receive <i>member</i> contributions they paid plus <i>member</i> contributions the City paid plus interest. <i>Non-vested members</i> will receive <i>member</i> contributions they paid plus any <i>member</i> contributions the City paid <i>prior to 7/1/2010</i> plus interest. Members who take a refund of contributions forfeit service credits and future pension benefits. Vested members may elect to leave contributions and service in plan and receive a monthly pension benefit at a later date when eligible. Non-vested members may elect to leave contributions and service in plan if anticipate will work for VRS covered employer in future.
Cost of Living Adjustment (COLA)	Refer to the VRS web site, www.varetire.org . See notes on page 1 regarding the three member types. Be sure to view the correct information for your type of member. May be delayed for some employees <i>with less than 20 years of VRS service at time they retire</i> .
Purchase of Refunded and Other Prior Governmental Service	Refer to the VRS web site, www.varetire.org . See notes on page 1 regarding the three member types. Be sure to view the correct information for your type of member. There is a short period to purchase, or begin purchasing, at a lower rate.
VRS Contact Information	Website: www.varetire.org Mon.-Fri. Customer Contact Center: 1-(888) VARETIR (827-3847) 8:30 am – 5:00 pm

Supplemental Retirement Plan “City Plan” Contract# 16741 Recordkeeping Administrator is Prudential	
Type of Plan	Defined benefit pension plan
Eligibility	Regular, full time City employees and regular, part-time City employees who are scheduled to work at least 50% time and who are not covered under the Firefighters & Police Officers Pension Plan are participants. For regular, full-time employees this benefit is in addition to the benefit provided by VRS. Deputy Sheriffs, Emergency Medical Technicians, and Fire Marshals have a separate summary.

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Contributions	<p><u>Employees participating prior to 7/1/2009</u>: City contributes 7.18%; prior to 7/1/2009, 2% of the City-paid contributions were designated as employee contributions.</p> <p><u>Employees who began participating after 6/30/2009 (including employees rehired after 6/30/2009 who previously withdrew employee contributions from the plan)</u>: Employees contribute 2% and City contributes 5.18%.</p>
Vesting	5 year vesting, however, regular, full-time employees 60 years of age or older are vested regardless of service
Average Earnings	Highest average monthly earnings (excluding overtime, shift differential, bonuses, etc.) over any 36 consecutive full calendar months of Credited Service during the 180 full calendar month preceding retirement or termination
Credited Service	Full time employees receive Credited Service for each month the City and/or employee makes a contribution. Part-time employees accrue Credited Service on a pro-rata basis determined by scheduled work hours.
Benefit Formula	<p>The sum of 0.8% of Average Earnings multiplied by years of Credited Service earned after 12/31/1987, PLUS, if applicable, the sum of (b)(1) and (b)(2) increased by (c).</p> <p>(b)(1) 1.625% of Past Service Compensation up to \$100 plus 0.25% of Past Service Compensation in excess of \$100, multiplied by Years of Credited Service earned after 7/31/1960 but prior to 8/1/1979 PLUS</p> <p>(b)(2) 1.625% of Participant's Average Earnings up to \$100 plus 0.25% of the Participants' Average Earnings in excess of \$100, multiplied by Years of Credited Service earned after 7/31/1970, but prior to 1/1/1988</p> <p>(c) increased by 50%</p>
Unreduced Retirement	At least age 65 with at least 5 years of Credited Service or at least age 50 with at least 30 years of Credited Service
Reduced Retirement	At least age 55 with at least 5 years of Credited Service
Retirement Payout Options	Life annuity, various life annuity and survivor/contingent annuitant options, lump-sum option
Termination Prior to Retirement	Terminating employee may receive a lump-sum distribution of the employee contributions that they paid plus any employee contributions that the City paid prior to 7/1/2009. Taking a payment will result in a forfeiture of service credits and any benefits at a later date. Vested employee may leave contributions and service credits in account and receive a monthly pension at a later date when eligible for retirement.
Cost of Living Adjustment (COLA)	Plan does not have a COLA provision

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Death Benefits	Beneficiary receives a lump sum payment of any employee contributions plus applicable interest
Prior Service Buy-back	Not permitted
Disability Retirement	An active vested employee who is eligible for Social Security disability benefits may be eligible to receive a benefit five months after disability onset. The amount of the benefit is the same as the unreduced retirement benefit computed using the formula on the date of the member's disability. <i>Employees who retired under the Fire and Police Pension Plan with a disability retirement are not eligible to receive a second disability benefit from this plan.</i>
Prudential Contact Information	Website: www.prudential.com/online/retirement Toll Free Access 1-(877) PRU-2100 (778-2100) Interactive Voice Response service available 24 hours; retirement representatives available 8 am-9 pm ET Mon.-Fri.

FORFEITURE OF RIGHT TO RETIREMENT BENEFITS

Employees terminated because of dishonesty, malfeasance, or misfeasance in office forfeit and cease to have any right to a retirement benefit under the Virginia Retirement System and the City of Alexandria Supplemental Retirement Plan.

457 Deferred Compensation Plan		Employer Plan Number 300832	Administered by ICMA-RC
Type of Plan	Deferred compensation plan		
Eligibility	Permanent, full employees and permanent part-time employees scheduled to work at least 50% time		
Contributions	Voluntary plan; employees make pre-tax, payroll-deducted contributions; \$10 minimum up to the maximum deferral limit set by the IRS. The Age-50 Catch-up provision allows increased contributions beginning with the year turning 50. The Pre-Retirement Catch-up provision allows eligible participants to contribute even greater amounts within three years of their full retirement date in a City sponsored <i>primary</i> pension plan. The City does not contribute to this plan.		
Vesting	100% immediate vesting		
Distributions	After separation from service employee has a variety of withdrawal options. Required minimum distributions must begin the later of April 1 following the year after the employee turns 70 ½ years old or after the employee leaves City employment. All withdrawals are subject to federal and state taxes.		
In-service Distributions	Loans with some restrictions; withdrawals for unforeseeable emergencies subject to IRS rules		
Death Benefits	Beneficiary has option of receiving installment payments, deferred payments, or lump sum payment; spouses may roll over to an IRA or an employer's retirement plan		
To Request an Enrollment Kit	Call the Pension Division at 703.746.3887 or email pensions@alexandriava.gov . Be sure to provide your department name and City mailbox so a packet can be sent to you via City mail.		
ICMA-RC Contact Information	Website: http://icmarc.org Investors Services: 1-(800) 669-7400 8:30 a.m.-9:00 p.m. ET Mon.-Fri. For an appointment to discuss your investments call Gloria Moody at 1-(866) 328 4666		

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Payroll Deduction Roth IRA with ICMA-RC		Plan Number 705691	Administered by ICMA-RC
Type Plan	Individual retirement savings plan with ICMA-RC that the City allows employees to make contributions through payroll deductions; not a City sponsored retirement plan.		
Eligibility	Regular, full-time and regular part-time employees scheduled to work at least 50% time Employee enrolls in the Payroll Deduction Roth IRA with ICMA-RC and also submits a payroll deduction form to the Pension Division		
Contributions	Voluntary employee after-tax, payroll deducted contributions, no minimum contribution amount. The City does not contribute to this plan.		
Maximum Contribution Limit	In general, the maximum contribution limit is \$5,000 per calendar year (\$6,000 if 50 or older); however, each person has a maximum contribution limit that is determined by their modified adjusted gross income, annual limit, and age; also may be limited by amount contribute to a Traditional IRA during the calendar year		
Withdrawals	After-tax contributions may be withdrawn at any time. Earnings withdrawn before you are 59 ½ years old and prior to being held in the account at least five years may be subject to a 10% early distribution penalty tax. Contact ICMA-RC or see the Vantagepoint Payroll Deduction IRA Enrollment Package for more details on withdrawals and penalty-free withdrawals.		
To Request an Enrollment Kit	Call the Pension Division at 703.746.3887 or email pensions@alexandriava.gov . Be sure to provide your department name and City mailbox so a packet can be sent to you via City mail.		
ICMA-RC Contact Information	Website: http://icmarc.org Investors Services: 1-(800) 669-7400 8:30 a.m. – 9:00 p.m ET Mon.-Fri. For an appointment to discuss your investments call Gloria Moody 1-(866) 328-4666		

Other City Benefits Administered by the Human Resources Department Benefits Division

The Human Resources Department administers all other benefits provided by the City. Visit the Human Resources web site at <http://alexandriava.gov/HR> to learn more about these benefits which include: health, life and dental insurance; annual, sick, and holiday leave; long term disability; long term care insurance; employee assistance; flexible spending accounts; and saving bonds. You may also speak to a member of the Human Resources Benefits Division by calling 703.746.3785.