

Summary of Deputy Sheriff's Retirement Committee Presentation

What the Deputy Sheriff's Want:

1. Keep the plan the same for those hired prior to July 1, 2010 (VRS 1). Keep benefits the same with no contributions by employees.
2. Change to a 25-year plan for those hired after July 1, 2010 (VRS 2). The retirement plan needs to be competitive. New employees, who are currently contributing 4% should have a better plan, not a worse one.

With a combination of the Virginia Retirement System (VRS) and the Alexandria City Supplemental Retirement Plan (SRP), Deputy Sheriffs earn a yearly multiplier of 2.3% for years 1-5, 2.6% for years 6-15, and 2.7% for years 16 and beyond. However, deputies do not receive the full amount of this multiplier unless they work for a full 30 years or until age 65 under VRS1. For example, a deputy at age 60 with 25 years of service would take a 30% penalty off of the VRS multiplier that was already earned. The penalty is greater if the individual with 25 years of service is under age 55. VRS2 is worse, requiring work until Normal Retirement Age (age 67 if born after January 1, 1960) or a Rule of 90 (age plus years of service have to equal 90). Therefore, one of our newest deputies, who was hired just after her 21st birthday, will be penalized for leaving early if she retires before working almost 34 and a half years.

The main concern of the Alexandria Deputy Sheriffs with our existing retirement plan is the fact that our VRS plan is a 30-year plan, so deputies are penalized for leaving before 30 years of service or age 65. Every other Sheriff's Office in Virginia has a 25-year plan. However, our deputies understand that changing plans would increase costs during a time when other costs are increasing. We would like for VRS to calculate what the cost increase would be, and we will work with the City to change plans in the future when other costs have come back down.

Our only urgent concern is for the Deputies hired after June 30, 2010. Those Deputies contribute 4% towards a new VRS plan, which has lesser benefits. We need to move these Deputies to a 25-year plan as soon as possible, or we risk losing good people to other jurisdictions soon after we finish paying for all of their training. Because of training costs, each deputy we lose to another agency because of better benefits would cost the City approximately \$35,000.