

7
3/24/2011
7

RETIREMENT PLANS SUMMARY FOR CITY EMPLOYEES (NON-PUBLIC SAFETY)

Virginia Retirement System (VRS) Employer ID 55200	
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. Deputy Sheriffs, Emergency Medical Technicians, and Fire Marshals have a separate summary.
Plan 1 or Plan 2 Participant	Plan 1: If employed in VRS covered position prior to July 1, 2010 Plan 2: If become employed in VRS covered position after June 30, 2010
Contributions	Plan 1: City pays 5% of the member contribution plus 7.78% employer contributions for a total of 12.78% Plan 2: Employees pay 4% of the member contribution; City pays 1% of the member contribution plus 7.78% employer contributions for a total 8.78% paid by the City
Vesting	5 year vesting
Service Credit	Member accrues one month of service credit for each month the City makes contributions
Creditable Compensation	Base salary City reports to VRS; excludes overtime, shift differential, bonuses, special pay, etc.
Average Final Compensation	Plan 1: Average of the 36 highest consecutive months of creditable compensation Plan 2: Average of the 60 highest consecutive months of creditable compensation
Benefit Formula	1.7% multiplied by Average Final Compensation multiplied by years of service credit
Normal Retirement Age	Plan 1: age 65 Plan 2: Social Security Normal Retirement Age [66 – 67 depending on year of birth]
Retirement - Unreduced	Plan 1: 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 Plan 2: Social Security Normal Retirement Age with at least 5 years of service credit or when age and service credits equal 90
Retirement – Reduced/Early	Plan 1: 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 Plan 2: Age 60 with at least 5 years of service credit
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 option to receive a lump sum payment plus a monthly benefit (you must work 1, 2, or 3 full years after eligible for unreduced retirement); Advance Pension Option allows you to temporarily increase your monthly benefit prior to 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 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

This is a summary of retirement benefits. The provisions of the plan documents will prevail in any instances where this summary differs from the plan document. Plans are subject to change.

	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 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)	Plan 1: First 3% increase in CPI-Urban plus ½ of the remaining increase up to a maximum COLA of 5%, when provided Plan 2: First 2% increase in CPI-Urban plus ½ of the remaining increase up to a maximum COLA of 6%, when provided
Purchase of Other Prior Governmental Service	Plan 1: Three year eligibility period to purchase at 5%; actuarial equivalent rate after 3 years Plan 2: Effective 1/1/2011 one year eligibility period to purchase at normal cost; actuarial equivalent rate after one year
VRS Contact Information	Website: www.varetire.org Customer Contact Center: 1-(888) VARETIR (827-3847) 8:30 am – 5:00 pm Mon.-Fri.

Supplemental Retirement Plan “City Plan” Contract# 16741 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
Contributions	Employees participating prior to 7/1/2009: City pays 6.39 contributions; prior to 7/1/2009 2% of the City-paid contributions were designated as employee contributions. Employees who began participating after 6/30/2009 (including employees rehired after 6/30/2009 who previously withdrew employee contributions from the plan): Employees pay 2% employee contributions; City pays 4.39% contributions.
Vesting	5 year vesting, however, a regular, full-time employee 60 years of age or older is 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

This is a summary of retirement benefits. The provisions of the plan documents will prevail in any instances where this summary differs from the plan document. Plans are subject to change.

Revised 10/12/2010

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	The sum of 0.8% of Average Earnings multiplied by years of Credited Service earned after 12/31/1987, PLUS the sum of (b)(1) and (b)(2) increased by (c). (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 (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 (c) increased by 50%
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
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.

This is a summary of retirement benefits. The provisions of the plan documents will prevail in any instances where this summary differs from the plan document. Plans are subject to change.

Revised 10/12/2010