

SUMMARY OF CHANGES

TO VIRGINIA RETIREMENT SYSTEM (VRS)

MADE DURING THE 2012 GENERAL ASSEMBLY SESSION

Contributions changes effective July 1, 2012 – Benefits changes effective January 1, 2013

(This is an abbreviated summary – see varetire.org for details)

	Plan 1 Vested	Plan 1 non-vested	Plan 2	Hybrid
Who is a member	Hired prior to 7/1/10 and vested by 1/1/13	Hired prior to 7/1/10 but vested <u>after</u> 1/1/2013	Hired after 7/1/10 but before 1/1/14	Hired on or after 1/1/14
Contributions beginning July 1 (Eff. Jul. 1, 2012)	<p>1%</p> <p>Contributions will increase 1% annually until reach 5%.</p> <p>Employees will receive salary increase equal to percentage increase in contributions until they are contributing 5%.</p> <p>Employees hired or rehired after 6/15/2012 will contribute 5%.</p>	<p>1%</p> <p>Contributions will increase 1% annually until reach 5%.</p> <p>Employee will receive salary increase equal to percentage increase in contributions until they are contributing 5%.</p> <p>Employees hired or rehired after 6/15/2012 will contribution 5%.</p>	<p>5%; employee will receive salary increase equal to the 1% increase in contributions</p>	
Average Final compensation (Eff. Jan. 1, 2013)	Average of high 36 months	Average of high 60 months	Average of high 60 months	Average of high 60 months
Multiplier (Eff. Jan. 1, 2013)	1.7% for all service	1.7% for service prior to 1/1/13; 1.65% for service after 12/31/12	1.7% for service prior to 1/1/13; 1.65% for service after 12/31/12	1.0% for defined benefit plan (N.A. for defined contribution)
COLA (eff. Jan. 1, 2013)	Maximum 5%	Maximum 3%	Maximum 3%	Maximum 3%
COLA for early retirees (eff. Jan. 1, 2013)	Early retirees with less than 20 years of service: first COLA one year after attain unreduced retirement date	Early retirees with less than 20 years of service: first COLA one year after attain unreduced retirement date	Early retirees with less than 20 years of service: first COLA one year after attain unreduced retirement date	Early retirees with less than 20 years of service: first COLA one year after attains unreduced retirement date
Normal Retirement (Eff. Jan. 1, 2013)	Age 65 with 5 years of service	Normal Social Security Retirement Age with 5 years of service	Normal Social Security Retirement Age with 5 years of service	Normal Social Security Retirement Age with 5 years of service
Early retirement - unreduced benefit (Eff. Jan. 1, 2013)	Age 50 with 30 years of service	Age plus years of service= 90	Age plus years of service= 90	Age plus years of service= 90

Early retirement - reduced benefit (Eff. Jan. 1, 2013)	Age 50 with 10 years of service or 55 with 5 years of service	Age 60 with 5 years of service	Age 60 with 5 years of service	Age 60 with 5 years of service
Employee Contribution to Hybrid Defined Contribution Plan (Eff. Jan. 1, 2014 for new hires at that time)	N.A.	N.A.	N.A.	At least 1%; up to 5%
Employer Contribution to Hybrid Defined Contribution Plan (Eff. Jan. 1, 2014 for new hires at that time)	N.A.	N.A.	N.A.	Match first 2% equally; 50% of next 3% = 1% - 3 ½%
<ol style="list-style-type: none"> 1. Vesting occurs after one accumulates credits for 5 years of service in one or more VRS-covered positions. 2. For Average Final Compensation, VRS looks for the highest <u>consecutive</u> 36 or 60 months. 3. For VRS purposes, Normal Social Security Retirement Age is the age between 65 and 67, when a person become eligible to receive a full (unreduced for age) retirement benefit. This applies to Plan 2 and Hybrid employees. 4. Hybrid plan effective January 1, 2014. VRS will provide more details during 2013. 				
Supplemental Plan Contributions	REMINDER: As of July 1, 2009, new hires are contributing 2% of pay to the Supplemental Plan. Deputy Sheriffs, Medics, and Fire Marshals are exempt from this requirement.			