

Employee Payroll Deducted Contributions to the Virginia Retirement System (VRS)

Regular, full-time City employees who are not firefighters and police officers participate in the Virginia Retirement System (VRS) for retirement benefits. Membership begins with the first “full” month that employees work in a VRS covered position. The first month of employment is considered to be a full month for VRS purposes if employees start work on or before the 15th of that month.

Employee Member Contributions

Employees who begin work in a VRS covered position on or after July 1, 2010, are considered to be VRS Plan 2 members. VRS Plan 2 member contribute four percent to help fund their future retirement benefits with VRS until June 30, 2012. Beginning July 1, 2012, Plan 2 employees will contribute five percent to VRS.

Employees who were employed by the City in a VRS covered position prior to July 1, 2010, are considered to be Plan 1 members. Employees who started with the City after June 30, 2010, and who had non-refunded Plan 1 member contributions in VRS, are also considered to be Plan 1 members. Plan 1 members, *unless hired or re-hired after June 15, 2012*, will begin contributing one percent to VRS effective July 1, 2012. Plan 1 members hired or re-hired by the City after June 15, 2012 will contribute five percent to VRS effective July 1, 2012.

City Also Makes Employer Contributions

The City makes employer contribution to VRS for each covered employee. The employer contribution for FY 2013 is 10.3%. Additionally, the City may still be contributing part of the five percent member contributions that employees are not making. See the paragraphs above.

Contributions are Deducted from Pay Checks for 24 Pay of the 26 Pay Periods

VRS contributions are paid to VRS monthly, but employees are paid biweekly 26 times in a typical year. A pay period is a two week period that starts on a Saturday and ends on a Friday. Employees receive their pay check one week after the pay period ends. Employees who are covered by VRS for the month will have VRS contributions deducted from the pay checks for the first two pay periods of each month.

Since contributions are deducted from paychecks for only 24 pay periods out of the 26 pay periods in a year, the contribution amount deducted for each pay period is calculated as follows:

Annualized base salary [excludes overtime, shift differential, bonuses, and special pay]

Multiplied by contribution percent

Divided by twenty-four paychecks

Some months have a third pay period that ends during the month. VRS contributions are not deducted for the third pay period of any month. The check for this third pay period often has a pay date early in the following month. Typically, there will be two pay periods each year that are for the third pay period of the month. No VRS contributions will be deducted from these two pay checks. Attached is a list of Pay Periods & Pay Dates that is issued by Human Resources each year. The list indicates which pay periods are considered FREE pay periods that will not have VRS contribution deductions.

Some Employees May Have a Double VRS Deduction for One Pay Period

Some employees do not receive a pay check for the first pay period of the month because of their start date and Payroll deadlines. Employees who start work for the City before the 16th of the month and who do not receive pay checks for the first pay period of the month are still required to make two VRS contributions for that month. They will make their second VRS contribution in the second pay period of the following month. This means these employees will have a double deduction in second pay period of the following month. The double deduction will be for only one pay period.

Example 1:

Employees who begin work in a VRS covered position from the 1st to the 15th of the month will receive VRS service credit for that month. If they do not receive pay checks for the first pay period of the month, they will have a double VRS contribution deduction for the second pay period of the following month. See the list of Pay Period & Pay Dates to see what will be the pay date for that pay period.

Example 2:

Employees who began work in a VRS covered position sometime after 15th of the month will not be covered by VRS for that month. They will not make VRS contributions for that month and will not have a double contribution deduction in the following month.

	<u>2012 PAY PERIODS</u>	<u>DEDUCTIONS</u>	<u>PAF DEADLINES</u>	<u>PAYDAY</u>
1	12/24/11 - 01/06/12	JANUARY	12/22/2011	1/13/2012
2	01/07/12 - 01/20/12		1/13/2012	1/27/2012
3	01/21/12 - 02/03/12	FEBRUARY	1/27/2012	2/10/2012
4	02/04/12 - 02/17/12		2/10/2012	2/24/2012
5	02/18/12 - 03/02/12	MARCH	2/24/2012	3/9/2012
6	03/03/12 - 03/16/12		3/9/2012	3/23/2012
7	03/17/12 - 03/30/12	<i>Free</i>	3/23/2012	4/6/2012
8	03/31/12 - 04/13/12	APRIL	4/6/2012	4/20/2012
9	04/14/12 - 04/27/12		4/20/2012	5/4/2012
10	04/28/12 - 05/11/12	MAY	5/4/2012	5/18/2012
11	05/12/12 - 05/25/12		5/18/2012	6/1/2012
12	05/26/12 - 06/08/12	JUNE	6/1/2012	6/15/2012
13	06/09/12 - 06/22/12		6/15/2012	6/29/2012
14	*06/23/12 - 07/06/12	JULY	6/29/2012	7/13/2012
15	07/07/12 - 07/20/12		7/13/2012	7/27/2012
16	07/21/12 - 08/03/12	AUGUST	7/27/2012	8/10/2012
17	08/04/12 - 08/17/12		8/10/2012	8/24/2012
18	08/18/12 - 08-31/12	<i>Free</i>	8/24/2012	9/7/2012
19	09/01/12 - 09/14/12	SEPTEMBER	9/7/2012	9/21/2012
20	09/15/12 - 09/28/12		9/21/2012	10/5/2012
21	09/29/12 - 10/12/12	OCTOBER	10/5/2012	10/19/2012
22	10/13/12 - 10/26/12		10/19/2012	11/2/2012
23	10/27/12 - 11/09/12	NOVEMBER	11/2/2012	11/16/2012
24	11/10/12 - 11/23/12		11/16/2012	11/30/2012
25	11/24/12 - 12/07/12	DECEMBER	11/30/2012	12/14/2012
26	12/08/12 - 12/21/12		12/14/2012	12/28/2012

Note: All PAF's for new hires, promotions and other actions are due in Human Resources Department no later than 4pm on the Friday preceeding the beginning of each pay period, unless it's a holiday, then PAF's must be in by the last business day** that preceeds the beginning of the pay period.

***Indicates first pay period of the new fiscal year**