

## Understanding Your 2009 Virginia Retirement System Member Benefit Profile

One of the benefits of the City retirement package for regular, full-time employees is participation in the Virginia Retirement System (VRS) pension plan. The City pays all of the contributions. VRS mails individual participant statements, called Member Benefit Profiles (MBP), to the City each year. The MBP uses information as of June 30, 2009, to provide you with estimates of your retirement benefits and is a valuable tool in your retirement planning. You will receive an MBP if you were employed by the City as a regular, full-time employee prior to June 2009. Your MBP has been provided to your department in a sealed envelope addressed to you.

The MBP is divided into four sections:

### 1. Personal Information

VRS prints personal information on the top of the MBP for you to verify each year. Take a few minutes to review this information, which includes your name, birth month and year, and membership month and year. The membership month is the month you became a participant in the VRS plan. This may be different than your employment date particularly if 1) you were employed after the middle of the month, 2) you started your City employment in a seasonal or part-time position and then became a regular, full-time employee, or 3) you worked for other VRS-covered employers prior to your City employment. Please contact the Pension Administration Division at [pensions@alexandriava.gov](mailto:pensions@alexandriava.gov) or 703.746.3887 if you believe there is an error in any of the personal information on the MBP, including the way your name appears on the VRS statement.

### 2. Your VRS Retirement Benefits

This section provides one or more estimates of the VRS benefit you may receive when you retire. The estimates were created assuming that you will work until the age noted and using your current salary. Actual retirement benefits are calculated using your average final compensation, which is the average of the 36 consecutive months of highest compensation during your VRS-covered employment. If you are planning to retire during the next three years you should visit the VRS web site at [www.varetire.org](http://www.varetire.org) to create estimates that use your average final compensation.

The **Unreduced Retirement** estimate on your MBP provides a retirement estimate for the date you are 65 years old with at least five years of service **and**, if earlier, the date you are at least 50 years old and have accumulated at least 30 years of service. There is an additional estimate for the **Reduced Retirement** benefit that you may be eligible to receive now or at a future date. You are eligible for a Reduced Retirement benefit when you are at least 55 years old with at least five years of service **or** when you are at least 50 years old with at least ten years of service.

The MBP provides an estimate for the **Basic Benefit**, which provides you with a monthly lifetime benefit beginning at your retirement. Log on to the VRS web site to see estimates for other payment options, including the **Survivor Option**, **Advance Pension Option**, and the **Partial Lump-Sum Option Payment (PLOP)** or to see estimates using other retirement dates. Definitions of these different options can be found in the

Handbook for Members Virginia Retirement System which can be found on the VRS web site at [www.varetire.org](http://www.varetire.org).

This section also provides an estimate of the Health Insurance Credit for those employees eligible for this benefit. If you are an eligible employee, the Pension Administration Division will discuss it with you at the time you apply for retirement. The City does not participate in this benefit, but the Code of Virginia designates employees in the following positions as eligible employees:

- Sheriff and employees who work for the Sheriff
- Clerk of Circuit Court and employees who work for the Clerk
- General Registrar and employees who work for the Registrar, and
- Employees of the local social service board.

The Health Insurance Credit provides eligible employees who retire with at least 15 years of service in a covered position with an additional sum of money to reimburse the cost of health insurance premiums. The maximum monthly benefit is \$45, but the actual amount you may receive is based on your years of service and the amount of insurance premiums that you certify you are paying in retirement.

### **3. Your VRS Member Contribution Account**

This section of the MBP reports the member contributions paid into your account as of June 30, 2009. The amount labeled as the Taxable Balance includes the five percent member contributions that the City paid on your behalf through June 30, 2009, any pre-tax contributions you paid to purchase service, plus interest accrued on all of these contributions. The amount labeled as the Non-Taxable Balance represents any contributions you made on an after-tax basis, including the member contributions that you paid prior to July 1982.

The total contributions are guaranteed to be paid out either 1) if you apply for a refund of contributions after terminating employment with the City, or 2) as a payment to your beneficiary after your death. Your beneficiary will receive the remaining balance of this account if you should die before the total amount has been paid out to you or your contingent survivor. If you wish to update your beneficiary designation, visit the Pension Administration Division web site at [alexandriva.gov/pension](http://alexandriva.gov/pension) and click on “Designation of Beneficiary” under the Virginia Retirement System section. Submit the completed form to the Pension Administration Division, City Hall Room 1600, City mailbox 42.

### **4. Life Insurance Benefits**

This section does not apply to City employees because the City does not participate in VRS life insurance programs. Please visit AlexNet or contact the Human Resources Benefits Division at 703.746.3785 for information about the City-sponsored life insurance benefits.

The remainder of the statement provides information on other VRS benefits such as Virginia Sickness and Disability and Basic and Optional Life Insurance as well as Employer sponsored Tax-Deferred Savings. The City does not participate in these benefits. However, the City does sponsor the 457 Deferred Compensation Plan with ICMA-RC, which allows you to save on a

tax-deferred basis through payroll-deducted contributions. Please see the Pension Administration Division web site at [alexandriava.gov/pension](http://alexandriava.gov/pension) or call 703.745.3887 if you would like additional information about the City 457 Plan.

The MBPs are being provided to departments with copies of the latest VRS member bulletin. The bulletin provides information about resources that VRS offers to help you plan for retirement as well as information about the Partial Lump-Sum Option Payment (PLOP). You may also view this bulletin on the VRS web site at [www.varetire.org](http://www.varetire.org).

If you have questions about your statement or any of your retirement benefits, please contact the Pension Administration Division at [pensions@alexandriava.gov](mailto:pensions@alexandriava.gov) or 703.746.3887. Visit our web page at [alexandriava.gov/pension](http://alexandriava.gov/pension) for information about and forms for all City-sponsored retirement plans, including the Supplemental Retirement Plan and the Retirement Income Plan for Deputy Sheriffs, Emergency Rescue Technicians, and Fire Marshals. A variety of retirement-related sources are also provided for you through the [Retirement Villa](#) on AlexNet. Check the web site and AlexNet regularly for information on seminars related to retirement, savings, estate planning, and managing your money.