

Applying for Service Retirement



Applying for Service Retirement

Table of Contents

Timeline	<u>Page 3</u>
Service Retirement Basics	<u>Page 3</u>
Retirement Payout Options.....	<u>Page 4</u>
Receiving Your Monthly Benefit	<u>Page 7</u>
Estimating Your Retirement Benefit	<u>Page 8</u>
Applying for Retirement Benefits.....	<u>Page 8</u>
Life Insurance.....	<u>Page 10</u>
Other Things to Consider.....	<u>Page 11</u>
Completing Your Service Retirement Application.....	<u>Page 13</u>
Forms	<u>Page 19</u>

Timeline

The following timeline shows you the steps to take for a smooth retirement process.

Remember to plan ahead when considering your retirement options.

90-120 days prior to your planned retirement date:

- ✓ *Submit your Application for Service Retirement (VRS-5) and associated documentation to VRS.*
- ✓ *Submit your Request for Income Tax Withholding (VRS-15).*
- ✓ *Submit your Authorization for Direct Deposit of Monthly Benefit (VRS-57).*
- ✓ *Review your beneficiary designations and submit any changes on the Designation of Beneficiary (VRS-2).*
- ✓ *Submit your Request for Health Insurance Credit (VRS-45) if eligible.*
- ✓ *Submit the VSDP Conversion of Disability Credits (VRS-5A) to convert your disability credits to service credits, if applicable. (State employees only)*
- ✓ *Review purchases of prior service credit and complete outstanding purchases before your retirement date.*

Within 31 days following your retirement date (State employees only):

- ✓ *Continue Optional Life Insurance coverage (if eligible) or convert to an individual policy.*
- ✓ *Convert to Long Term Care from VSDP (if eligible).*
- ✓ *Apply for health insurance coverage (if eligible).*

Service Retirement Basics

VRS is a defined benefit plan, funded by contributions from employers and members.

The type of agency for which you work determines the age and service requirements necessary for your retirement. Once you meet these eligibility requirements, you may apply for your retirement benefits.

Eligibility for Unreduced Benefits

Review the information below to determine your eligibility for retirement.

VRS members

- 65 with 5 years of service credit, or
- 50 with 30 years of service credit. (If you work for a political subdivision, check with your employer for retirement eligibility requirements.)

SPORS, LEOS, FIRE and VaLORS members*

- 60 with 5 years of service credit, or
- 50 with 25 years of service credit.

JRS members

- 65 with 5 years of service credit, or
- 60 with 30 years of service credit.

Early Retirement

A reduction is applied to your benefit that takes into consideration your age and years of service. A one-half percent reduction is

applied for the first 60 months, and four-tenths of one percent for any additional months you are short of meeting age or service requirements for unreduced benefits.

Eligibility for Early Retirement

Review the information below to determine your eligibility for early retirement.

VRS members

- 55 with 5 years of service credit, or
- 50 with 10 years of service credit.

SPORS, LEOS, FIRE and VaLORS members*

- 50 with 5 years of service credit.

JRS members

- 55 with 5 years of service credit.

* For members not in service on June 30 and July 1, 2002, you must be credited with at least 5 years of service rendered while covered under SPORS, VaLORS or in a hazardous duty position with a political subdivision that has elected benefits equivalent to SPORS in order to retire under enhanced provisions.

Retirement Payout Options

VRS has the following payout options:

Basic Benefit, Survivor Option, and Advance Pension Option. If you choose the Basic Benefit or Survivor Option, you may also be eligible for a lump-sum distribution at the time of retirement, called the Partial Lump-Sum Option Payment.

Basic Benefit

The Basic Benefit is determined by your years of service, your age at retirement, and your average final compensation (average of your 36 months of highest salary). It is a *lifetime* benefit and will continue until your death. If you die before all the contributions to your member account have been paid to you, the remaining funds are paid in a lump-sum to your designated beneficiary.

If you choose this option, you cannot change your selection after your effective date of retirement.

Survivor Option

You may choose to receive a benefit amount lower than the Basic Benefit during your lifetime in order to provide a benefit to a person you select (called your contingent annuitant) after your death. Your survivor

may be your spouse or any other individual that you designate. IRS regulations limit the percent you may designate to a non-spouse survivor.

You may choose any whole percentage from 10 to 100 percent. Your benefit amount is based on this percentage, your age and the age of your contingent annuitant at your retirement. When you die, this amount is paid to your contingent annuitant for life.

You may revert to the Basic Benefit or name a new contingent annuitant if:

- your contingent annuitant dies,
- your contingent annuitant relinquishes interest in the Survivor Option (after providing evidence of good health), or
- your contingent annuitant is your spouse and you divorce (depending on the number of years married).

Advance Pension Option

The Advance Pension Option allows you to temporarily increase your benefit from the time you retire to an age you select (at least age 62, but no later than your unreduced retirement age under the Social Security Act).

First, your Basic Benefit amount is calculated based on the average of your 36 consecutive months of highest salary, your

age, and years of service. Then, VRS adds a percentage of your estimated Social Security benefit amount to the Basic Benefit and pays you the increased amount until you reach the age at which you have chosen your increased benefit to be permanently reduced.

You must provide VRS with an estimate from the Social Security Administration that shows the benefit for which you will be eligible at the age you choose the temporary increase under VRS to end. The estimate from the Social Security Administration should be less than 12 months old, assume no future earnings after leaving your VRS-covered position, and be based on your Social Security Earnings Record.

When the increase stops, your benefit is the increased benefit amount less the amount shown on your Social Security estimate you provide to VRS. Your reduced benefit will be no less than 50 percent of what your Basic Benefit would have been.

Cost-of-living increases are determined based on the Basic Benefit you would have received had you not selected the Advance Pension Option.

This option does not provide a survivor benefit; nor may you choose a partial lump-sum option payment.

Partial Lump-Sum Option Payment

If you choose the Basic Benefit or Survivor Option and work beyond the time you become eligible for an unreduced benefit, you may also be eligible for a partial lump-sum option payment.

This option allows you to receive a lump-sum distribution of up to three times your annual benefit amount at the time you retire if you work past the date you become eligible for unreduced retirement. The amount of the lump-sum payment depends on the number of years you work beyond eligibility for an unreduced retirement benefit.

Working one year beyond your unreduced retirement benefit entitles you to a lump-sum payment equal to one year of your basic annual retirement benefit. Working two years beyond your unreduced retirement benefit entitles you to a lump-sum payment equal to one or two years of your basic annual retirement benefit. Working three years beyond your unreduced retirement benefit entitles you to a lump-sum payment

equal to one, two, or three years of your basic annual retirement benefit.

The lump-sum payment is subject to taxes at the time you receive your payment.

Generally, 20 percent federal tax and 4 percent state tax will be withheld from the payment. If you are not yet 55, you may also be required to pay an additional 10 percent tax penalty. To defer taxes and possibly avoid penalties, you may elect to have your lump-sum payment transferred directly, tax-deferred, to the Virginia Cash Match Plan, an Individual Retirement Account (IRA) or other qualified retirement plan. For additional tax information, please refer to the IRS 402(f) – Special Tax Notice. You may also contact your tax advisor or the Internal Revenue Service (IRS).

Receiving Your Monthly Benefit

All retirements occur on the first of the month and your first monthly benefit payment will be on the first of the following month. For instance, if you retire on September 1, 2005, you will receive your first monthly benefit payment on October 1, 2005. All monthly retirement benefits are for the preceding month.

As long as your application for retirement is received in a timely manner, you will receive your first payment on the first of the month following the month you are last reported by your employer to VRS.

Direct Deposit

VRS uses electronic funds transfer to deposit your benefit payment directly into your bank, savings and loan, or credit union account on the first business day of the month. If the first day of the month falls on a weekend or holiday, VRS deposits the payments on the last business day of the preceding month. Direct deposit is mandatory for all benefit payments.

Cost-of-Living Adjustments (COLA)

You are eligible for a cost-of-living adjustment on July 1 of the second calendar year after you retire. Increases, if any, are made annually.

For example, if you retire on September 1, 2005, you qualify for an increase on July 1, 2007. Your full calendar year is January through December 2006. Therefore, your increase will be reflected on your August 2007 benefit payment.

Estimating Your Retirement Benefit

Your retirement benefit is determined by a formula and is not based on the contributions in your account. The formula uses your average final compensation (average of your 36 consecutive months of highest creditable compensation), your years of creditable service, and your age at retirement.

If you choose early retirement, an early reduction factor is used to calculate a reduced benefit. This reduction factor is based on your age and your years of service credit. For more information, refer to your *Handbook for Members*.

VRS Service Retirement Calculator

You may estimate your retirement benefits quickly and easily using the Service Retirement Calculator on the VRS Web site at www.varetire.org.

You can use it to experiment with various retirement scenarios and to develop personal retirement strategies. The calculator does *not* use information from your VRS record. You must fill in all the required information.

Applying for Retirement Benefits

It takes time for VRS to process your service retirement application and to set up your account for direct deposit. VRS suggests that you apply three to four months before the date you want to retire to ensure timely receipt of your first payment.

Forms are located in the last section of this booklet and under the Member tab of the VRS Web site at www.varetire.org in the Forms and Publications area.

When you apply for retirement, read the directions provided in the *Completing Your Service Retirement Application* section carefully. Fill out each form completely and provide all the signatures, notarizations, and additional documentation required. Incorrect information or an incomplete form will delay processing of your retirement application.

The following forms are required to process your service retirement application; however, you may need to complete additional forms:

- Application for Service Retirement (VRS-5)
- Request for Income Tax Withholding (VRS-15)
- Authorization for Direct Deposit of Monthly Benefit (VRS-57)

You should review your beneficiary designation and make any changes by completing the Designation of Beneficiary (VRS-2), which you can obtain from the VRS Web site at www.varetire.org or by contacting your benefits administrator.

If you are a state employee, you may need to enroll in the Retiree Health Benefits Program. Complete the program enrollment form located on the DHRM Web site at www.dhrm.state.va.us/.

When you have completed the forms, forward the documents, including a copy of your birth certificate and your contingent annuitant's birth certificate (if you chose a Survivor Option), to your employer. Your benefits administrator will review the documents and complete the employer certification. The completed documents are sent to VRS for processing.

Key points to remember about applying for service retirement benefits:

- Apply at least 90-120 days prior to the date you choose as your retirement date.
- Your retirement date will always be the first of the month.
- If you quit work and retire at a later date (deferred retirement), your application for retirement may be backdated up to 90 days from the date VRS receives it.

Retirement Certificate

You will be sent a notice confirming that VRS has received your retirement application, which will include any additional information you may need to provide. Once your application has been processed, you will receive a Retirement Certificate and a *Retiree Handbook*. The Retirement Certificate outlines your retirement options, monthly benefit amount and life insurance information.

Keep your Retirement Certificate and Retiree Handbook in a safe place for future reference.

Life Insurance

Basic Group Life Insurance

Your Basic Group Life Insurance continues at no cost to you after retirement, provided you are at least 55 years of age and have at least 5 years of service or are 50 years of age with at least 10 years of service. Accidental death and dismemberment benefits cease at retirement.

The amount of your life insurance is based on your annual salary at retirement.

However, if you have 20 or more years of service, your life insurance is based on your highest annual salary during your career.

Your life insurance begins to reduce January 1 of the first full year after retirement at a rate of 25 percent per year until it is valued at 25 percent of the amount of coverage at retirement.

If you return to a VRS-covered position, you resume your basic group life insurance coverage if your employer offers the VRS group life insurance program. Your basic group life will be based on your new salary unless you have 20 or more years of service. In this case, your basic group life coverage

will be based on your highest annual salary during your career.

Optional Group Life Insurance

The amount of your optional life coverage at retirement is based on your current salary.

You may continue a portion of Optional Life Insurance coverage into retirement for yourself, your spouse and dependents. If you and your dependents wish to continue coverage, you must have been covered continuously under optional life insurance during the 60 months immediately preceding retirement. You must elect the coverage within 31 days of terminating service if you choose to defer retirement.

Optional insurance amounts begin to reduce when you reach age 65 and end at age 80.

Optional Life Insurance accidental death and dismemberment benefits cease at retirement.

Basic Group Life Insurance and Optional Life Insurance coverage is provided by:

Minnesota Life
P.O. Box 1193
Richmond, VA 23218-1193
Toll Free: 800/441-2258

Other Things to Consider

Health Insurance Benefits

If you are a state employee, you have 31 days from your retirement date to enroll in the State Retiree Health Benefits Program. If you defer retirement, you lose your eligibility to continue in the state health insurance program (unless your spouse is also a state employee and you are covered as a dependent).

To apply for health insurance benefits, complete the Retiree Enrollment/Waiver form, available from your benefits administrator or the Department of Human Resources Management (DHRM) Web site at www.dhrm.state.va.us. Submit the completed form to your benefits administrator to enroll in the program.

VRS deducts the health insurance premiums from your monthly retirement payment. If your benefit is not sufficient to cover the insurance deduction, you are billed directly by your health insurance carrier.

If you retire from a political subdivision or school system, your premiums can be deducted from your monthly VRS retirement benefit. Your employer must

sponsor a health plan and have an agreement with VRS to deduct monthly premiums. For more information on your health plan options, contact your employer directly.

Health Insurance Credit

A health insurance credit can assist with the cost of your individual health, prescription, dental, and vision plans and Medicare Part B. To be eligible for the health insurance credit, you must have at least 15 years of creditable service. If you have 30 or more years of service, you receive the maximum credit, as shown in the chart on the following page.

The health insurance credit is applied to your portion of the premium and cannot be applied to premiums that cover others, including family members. You may apply the credit to multiple policies but you cannot exceed the amount of the credit.

You are reimbursed the *lesser* of the full health insurance credit amount or the cost of your insurance premium. If the premium is less than your health insurance credit amount and you participate in a qualifying individual plan, complete the Request for Health Insurance Credit (VRS-45).

The employer from which you retire determines eligibility and the amount of health insurance credit available to you. The rates for the different types of agencies are listed in the following chart.

Employer Type	Amount per Year of Service	Maximum Credit per Month
State*	\$4.00	\$120.00
Teacher	\$2.50	\$75.00
Enhanced Teacher	\$3.50**	\$105.00
Political Subdivision	\$1.50	\$45.00
General Registrars/Employees of	\$1.50	\$45.00
Local Officers	\$1.50	\$45.00
Local Social Service Employees	\$1.50	\$45.00
Enhanced Local Officers	\$2.50**	\$75.00

* Includes retirees from a state Optional Retirement Plan or Alternate Retirement Plan.

** These retirees receive an enhanced credit if their school board or political subdivision so elects.

For more information, visit the VRS Web site at www.varetire.org under the Retiree tab.

Changing Your Beneficiary Information

Prior to your retirement, make sure your beneficiary designation is current.

Life Insurance Benefits

If you do not designate a beneficiary for your life insurance, the beneficiary is

determined by the following order of precedence (as set forth by the Code of Virginia):

- Spouse
- Child(ren)
- Parent(s)
- Duly appointed executor or administrator of the estate
- Next of kin under the laws of the state where the member resided at the time of death.

Retirement Benefits

If you choose the Survivor Option, your lifetime benefit continues to be paid to the person designated as your contingent annuitant on your retirement application. If this person predeceases you, any funds remaining in your member contribution account are paid out according to the order of precedence as shown in the life insurance benefits section above, unless you have previously named a beneficiary.

Neither the Basic Benefit nor the Advance Pension Option provides a survivor option. Therefore, if you die and funds remain in your member contribution account, this account is paid out according to the following order of precedence:

- Spouse
- Minor child(ren)
- Parent(s)

If you wish to name other beneficiaries or designate funds in a different order of precedence than shown above, complete the Designation of Beneficiary (VRS-2), located on the VRS Web site at www.varetire.org. Remember, this form must be notarized.

Dual Employment

If you are employed in two VRS-covered positions, you must terminate both positions in order to retire.

Completing Your Service Retirement Application

For more information on service retirement, read your *Handbook for Members*. You may obtain the handbook from your benefits administrator or the VRS Web site at www.varetire.org.

Submit your application to VRS at least 90 days, but not more than six months, prior to your effective date of retirement to ensure that you receive your first benefit payment on the first of the month following your retirement date.

Instructions for completing your service retirement application are included on the next pages.

The forms you need to apply for Service Retirement are included at the back of this booklet, following the instructions. Detach the forms from the booklet and make sure each is filled out completely before submitting your application to VRS. Please work with your benefits administrator if you have any questions.

Application for Service Retirement (VRS-5)

When submitting your application:

- Include a legible copy of your birth certificate. If your birth certificate does not include your full given name and birth date, you must provide other legal documentation. Your application *cannot* be processed without this document.
- Include a legible copy of your survivor's birth certificate if you chose a survivor option. If your survivor's birth certificate does not include a full given name and birth date, provide other legal documentation.
- If you intend to purchase service credit with your sick leave payment or convert disability credit to service credit, request the appropriate forms from your benefits administrator and ensure they are completed and submitted with your application.
- If you elect the Advance Pension Option, submit your estimate from the Social Security Administration for the age you choose for your benefit to decrease. This statement must be dated within 12 months of your effective date of retirement.
- Have your employer complete Part E of this application if you are currently employed in a covered position or have been within the last 12 months.
- Complete and submit the Authorization for Direct Deposit of Monthly Benefit (VRS-57) and the Request for Income Tax Withholding (VRS-15). Processing of your retirement application is delayed if the VRS-57 is not completed and submitted with your application.

If all required documents are not received at VRS, processing of your application may be delayed and you may not receive your first benefit payment on time.

Considerations:

If you are employed in a full-time or part-time position with any employer participating in VRS, you must terminate all positions to receive a monthly retirement benefit.

If you return to work in a full-time position with any employer participating in VRS, your monthly retirement benefit must cease. You once again become an active VRS member.

If you plan to return to work in a part-time position with any employer participating in VRS, your employer must comply with Internal Revenue Service (IRS) rules for "in-service" distributions. For your employer to be in compliance, you must:

- Terminate all full-time and part-time employment with your current employer before you receive your benefit payment.
- Incur at least a 30-day break in service before returning to part-time employment with your current employer. This break must occur during a normal work period.

Note: State agencies are considered one employer. Retired state employees may return to work in part-time positions with other state agencies after a 30-day break in service during a normal work period.

Complete Parts A through D

- Box 1-10: Provide your personal information. In Box 3, check whether this is your original application or if you are submitting a revised application.
- Box 11: Enter the date you plan to retire (the first of any given month after your employment is terminated).
- Box 12: If you check Yes, the purchase must be completed while you are actively employed and no later than your date of termination. Your benefit cannot be calculated until payment for the purchase is submitted to VRS.
- Box 13: If you check Yes, complete the VRS-26F and include it with this application. Your benefit cannot be calculated until payment for the purchase is submitted to VRS.
- Box 14: If you check Yes, complete the VSDP Conversion of Disability Credits (VRS-5A) and provide it to your employer for signature. The VRS-5A must be submitted to VRS with this application. (State employees only.)
- Box 15-16: You must terminate all full-time and part-time positions with any employer participating in VRS to receive a monthly retirement benefit.
- Box 17-22: Complete these boxes *only* if you choose a Survivor option in Part C. If you choose a survivor option, you *must* send a legible copy of your survivor's birth certificate with this application.
- Box 24: Choose one payout option. Refer to your *Handbook for Members* to determine which option will meet your retirement goal.
- Box 25: If you chose the Advance Pension Option in Box 24, enter the age at which you want your temporarily increased VRS benefit to be reduced. You must choose an age of at least 62 years, but no later than your normal retirement age as defined by the Social Security Act. You must include an estimate from the Social Security Administration reflecting the amount you would receive from them at the age you choose on your retirement application. The estimate, for VRS purposes, must be less than 12 months old, be prepared assuming you will have no future earnings after leaving your VRS-covered position, and be based on your Social Security Earnings Record. Additional information about this option will be sent when your application is processed.
- Box 26-27: Complete Box 26 only if you chose a payout option that includes a partial lump-sum payment. Indicate the number of months on which the amount is to be based. For a 12-month payment, you must work at least one year beyond the date you are first eligible for an unreduced retirement benefit. For a 24-month payment you must work at least two years beyond the date you are first eligible for an unreduced retirement benefit. For a 36-month payment, you must work at least three years beyond the date you are first eligible for an unreduced retirement benefit. Complete Box 27 to let VRS know if you intend to roll the PLOP payment into an Individual Retirement Account (IRA) or other qualified plan. Additional information regarding your rollover options will be sent once your application for retirement has been processed.

Box 28: Carefully read the certification statement, sign the application and have your signature notarized.

Your signature certifies that you will repay benefits in excess of those to which you are entitled. It also certifies that you understand that you cannot return to work in a part-time position working for the employer from which you retired without first incurring the required break in service.

If you are unable to complete the application and you select a payout option other than the Basic Benefit in Box 24, an individual authorized to make testamentary changes on your behalf may complete your application. Authorized individuals include: a court-appointed Guardian or Committee; an Attorney-in-Fact named in a Durable Power of Attorney; or an individual specifically authorized by a court order to do so. A copy of the document providing such authorization must be presented to VRS for review before the application can be processed. If the application is not properly signed and notarized, it is not valid and a new one must be completed, which may delay your first payment.

Box 29: If you checked Married or Separated in Box 8, your spouse's signature is required and it must be notarized *on or after* the date that you signed the application and had it notarized. If the application is not properly signed and notarized, it is not valid and a new one must be completed. If you are unable to obtain your spouse's signature, contact VRS for additional information.

Request for Income Tax Withholding (VRS-15)

If a completed tax form is not on file, VRS withholds federal income tax based on the rate for a married individual claiming three exemptions and state income tax based on the rate for zero exemptions.

Part A: Provide your personal information.

Parts B and C: Choose one federal tax withholding option and one state tax withholding option. If you choose the second option of either type, enter the appropriate information about your marital status, the number of exemptions, and any additional amount that you want withheld.

Authorization for Direct Deposit of Monthly Benefit (VRS-57)

This form authorizes VRS to transfer funds electronically to your financial institution.

Boxes 1-4: Provide your personal information.

Boxes 5-7: Provide information about your financial institution.

Tape a voided deposit slip or check onto the lower portion of the form. VRS cannot accept hand-written account information.

Additional Documentation

- Include a legible copy of your birth certificate when you send in your retirement application. If your birth certificate does not include your full given name and birth date, you must provide other legal documentation. *Your application cannot be processed without this document.*
- Include a legible copy of your survivor's birth certificate if you chose a Survivor Option. If your survivor's birth certificate does not include a full given name and birth date, provide other legal documentation.
- If you checked Yes to the questions in Boxes 13 and 14 on your application, request the appropriate forms from your benefits administrator and ensure they are completed and submitted with your application.
- If you elect the Advance Pension Option on your application, submit your estimate from the Social Security Administration for the age you chose in Box 16. This statement must be dated within 12 months of your effective date of retirement and should not reflect earnings after retirement.
- Have your employer complete Part B of the application if you are currently employed in a VRS-covered position or have been within the last 12 months. To avoid processing delays, print or type your information and ensure all items are completed.
- Complete the Authorization for Direct Deposit of Monthly Benefit (VRS-57) and the Request for Income Tax Withholding (VRS-15). Processing of your retirement application is delayed if the VRS-57 is not completed and submitted at the time of application.

Employer Responsibility

After completing Part E of the VRS-5, the employer should:

- Verify that the application has been completed in its entirety, signed and properly notarized or otherwise acknowledged.
- If the member answered Yes to the questions in Boxes 13 and 14 of Part A, ensure the appropriate forms are completed and submitted with the application.
- Review the birth certificate (and the survivor's birth certificate, if applicable) to ensure legibility.
- Ensure the member has included the Authorization for Direct Deposit of Monthly Benefit (VRS-57) and the Request for Income Tax Withholding (VRS-15).
- If the member needs to apply for a health insurance credit, ensure the Request for Health Insurance Credit (VRS-45) is completed and submitted with this application. If the member's health insurance premium will be paid through VRS payroll deduction, do *not* complete a VRS-45. If the member has additional health insurance premiums to apply toward the credit, the VRS-45 must be completed and submitted with this application.
- For State Employees:
 - If an employee is retiring under the Involuntary Workforce Transition Act of 1995, complete both pages of the Employer Certification of Involuntary Separation under the Workforce Transition Act of 1995 (VRS-11) and submit it along with the Application for Service Retirement (VRS-5).
 - If an employee takes an immediate retirement and chooses to enroll in the State Retiree Health Benefit Program, ensure the Health Enrollment/Waiver form is completed and submitted within 31 days of the retirement date.
 - If an employee has disability credits remaining under the VSDP and wants to convert them to service credit, ensure the VSDP Conversion of Disability Credits (VRS-5A) is completed and submitted.
- If a state employee takes an immediate VRS retirement or if an ORP participant elects a periodic payment and chooses to enroll in the State Retiree Health Benefit Program, ensure the Health Enrollment/Waiver form is completed and submitted within 31 days of the retirement date.
- If the employee participates in an ORP and qualifies for the health insurance credit, submit the Optional Retirement Plan Health Insurance Credit Employer Certification of Service (VRS-75).
- If the employee wishes to contribute their traditional sick leave, annual leave or VSDP disability credit payout to the Commonwealth's Deferred Compensation Plan, have the participant complete the Payroll Authorization Form, check "termination pay" and indicate the amount.
- Mail the *original* Application for Service Retirement and all other required forms to VRS. A copy cannot be processed.

APPLICATION FOR SERVICE RETIREMENT

VIRGINIA RETIREMENT SYSTEM
 P.O. Box 2500
 Richmond, Virginia 23218-2500
 Phone 804/649-8059
 Toll Free 1/888/VARETIR (827-3847)
 www.varetire.org

1. Social Security Number
2. Employer Code
3. Check One <input type="checkbox"/> Original Application <input type="checkbox"/> Revised Application

PART A. MEMBER INFORMATION

4. Name (First) (MI) (Last) (Jr./Sr.)			
5. Address (Street) (City) (St) (Zip)			
6. Are you a VA resident? <input type="checkbox"/> Yes <input type="checkbox"/> No		7. Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No	
8. Marital Status <input type="checkbox"/> Married or Separated <input type="checkbox"/> Widowed <input type="checkbox"/> Single <input type="checkbox"/> Divorced – Date of Divorce _____ (mm/dd/yyyy)			
9. Daytime Phone Number	10. Birth Date (mm/dd/yy)	11. Retirement Date (mm/01/yy)	
12. Do you intend to make a lump-sum purchase of service credit prior to retirement?			<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Will you be purchasing service credit with your sick leave payment?			<input type="checkbox"/> Yes <input type="checkbox"/> No
14. Will you be converting disability credit to service credit when you retire?			<input type="checkbox"/> Yes <input type="checkbox"/> No
15. Will you be terminating all full-time employment with employers participating in VRS as of your retirement date?			<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Will you be terminating all part-time employment with employers participating in VRS as of your retirement date?			<input type="checkbox"/> Yes <input type="checkbox"/> No

PART B. SURVIVOR INFORMATION

If you choose a Survivor option in Part C, please provide the following information about your survivor.

17. Survivor's/Contingent Annuitant's Name (First) (MI) (Last) (Jr./Sr.)			
18. Relationship <input type="checkbox"/> Spouse <input type="checkbox"/> Other		19. Survivor's Birth Date (mm/dd/yy)	
20. Survivor's SSN	21. Is your survivor a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No	22. Survivor's Gender	

23. SSN

PART C. PAYOUT OPTION SELECTION

24. Retirement Payout Options (Choose One)

- Basic Benefit
- Basic Benefit with a Partial Lump-Sum Option Payment (PLOP)
- Advance Pension Option
- Survivor Option with _____ %payable to survivor
- Survivor Option with _____ % payable to survivor, and a Partial Lump-Sum Option Payment (PLOP)

25. Advance Pension Option If you chose this option in Box 22, enter the age at which you want your retirement benefit to decrease:

26. PLOP If you chose a payout option with a PLOP payment in Box 22, choose the number of months for the payment:

- 12 months
- 24 months
- 36 months

27. If you chose a PLOP payment in Box 22, do you intend to roll the funds into an IRA or other qualified plan?

- Yes
- No

PART D. CERTIFICATION

28. Member Certification

I hereby certify: 1) All information I provide in this document is true and I understand that any willful falsification of facts presented may result in prosecution as provided by law, 2) I have read and understand the service retirement information in the *Handbook for Members*, 3) I will terminate all positions prior to my retirement, and 4) I will not return to work in a part-time position with my current employer following my retirement date for at least a 30-day period of time during which I would normally work. Additionally, I agree that, in the event that VRS pays retirement benefits in excess of those to which I am entitled, I or my estate will repay the excess to VRS. By signing this form, I hereby assign to VRS any VRS group life insurance benefits that may be payable as a result of my death to secure repayment of any such retirement benefit overpayment.

Member Signature _____(Required)

TO BE COMPLETED BY NOTARY or by other Court Official authorized to take acknowledgments:

STATE OF _____ **City/ County of** _____

On this _(dd)_____ **day of** _(mm)_____, **_(yy)**_____, **the member whose name is signed above, personally appeared before me and acknowledged the foregoing signature to be his, and having been duly sworn by me, made oath that the statements made in the said instrument are true.**

My commission expires _____

Notary Signature

29. Spouse Certification

I have read and understand the retirement payout options available under VRS. I am aware of and understand the retirement payout option selected by my spouse in Part C and if my spouse chose a Survivor Option, the survivor benefits will be provided to the person named in Part B. Further, I am aware that counseling regarding the payout options is available.

Spouse's Signature _____(Required if married or separated)

Address (if different from above) _____

TO BE COMPLETED BY NOTARY or by other Court Official authorized to take acknowledgments:

STATE OF _____ **City/ County of** _____

On this _(dd)_____ **day of** (mm)_____, **_(yy)**_____, **the member's spouse whose name is signed above, personally appeared before me and acknowledged the foregoing signature to be his, and having been duly sworn by me, made oath that the statements made in the said instrument are true.**

My commission expires _____

Notary Signature

REQUEST FOR INCOME TAX WITHHOLDING

VIRGINIA RETIREMENT SYSTEM
P.O. Box 2500
Richmond, Virginia 23218-2500
Phone 804/649-8059 Fax 804/786-9718
Toll Free 1/888/VARETIR (827-3847)
www.varetire.org

1. Social Security Number

2. Daytime Phone Number

Complete this form if: (1) You are a new retiree, or (2) you want to make a change to your income tax withholding. If a completed VRS-15 is not on file, VRS withholds federal income tax based on the rate for a married individual claiming three exemptions and state income tax based on the rate for zero exemptions. Refer to the back of this form to calculate exemptions.

PART A. RETIREE INFORMATION

3. Name	(First)	(MI)	(Last)	(Jr./Sr.)
4. Address	(Street)	(City)	(State)	(Zip)
5. Residency Status	<input type="checkbox"/> US Citizen/Resident Alien <input type="checkbox"/> Non-resident Alien (Marking this box certifies your status as non-resident alien and that you are not a U.S. citizen or resident alien.)			

PART B. FEDERAL INCOME TAX WITHHOLDING

Choose one option below. If you choose to have income tax withheld, provide your marital status and the number of exemptions.

- Do not withhold federal income tax from my monthly benefit. I understand that I am liable for payment of federal income tax on the taxable portion of my benefit and that I may be subject to tax penalties under the estimated tax payment rules if my payment(s) of estimated tax and withholding are not adequate. (If you are a U.S. Citizen or resident alien and your monthly benefit payments are delivered outside the U.S. or its possessions, you *must* have federal income tax withheld.)
- Using the marital status and the exemptions below, calculate my federal income tax withholding (if any) in accordance with the tax formula as published in IRS Publication 15.

Marital Status: Married Single Number of Exemptions: _____

If you wish an amount withheld in addition to the calculated tax, enter the additional amount to be withheld per month: \$ _____.

PART C. STATE OF VIRGINIA INCOME TAX WITHHOLDING

Choose one option below. If you choose to have state income tax withheld, provide the number of exemptions of each type.

(You are not required to have Virginia state income tax withheld from your benefit if you do not reside in Virginia.)

- Do not withhold state income tax from my monthly benefit. I understand that I am liable for payment of state income tax on the taxable portion of my benefit and that I may be subject to tax penalties under the estimated tax payment rules if my payment(s) of estimated tax and withholding are not adequate.
- Using the exemptions below, calculate my state income tax withholding (if any) in accordance with the tax formula as published in the Virginia Income Tax publication.

Personal Exemptions: _____ Age and Blindness Exemptions: _____ Total Exemptions: _____

If you wish an amount withheld in addition to the calculated tax, enter the additional amount to be withheld per month: \$ _____.

Signature _____

Date _____



Completing Part B. Federal Income Tax Withholding

For detailed information about federal income tax withholding, refer to the Internal Revenue Service (IRS) web site at www.irs.gov to review the IRS Form W-4P. The "Personal Allowances Worksheet" from the W-4P is provided below for calculating exemptions for federal income tax purposes. Review the IRS Form W-4P for additional information about other worksheets that might apply.

- A** Enter "1" for **yourself** if no one else can claim you as a dependent. **A** _____
- B** Enter "1" if: a) You are single and have only one pension; or **B** _____
b) You are married, have only one pension and your spouse has no income subject to withholding; or
c) Your income from a second pension or a job, or your spouse's pension or wages (or the total of all), is \$1,000 or less.
- C** Enter "1" for your **spouse**. But, you may choose to enter "0" if you are married and have either a spouse who has income subject to withholding or you have more than one source of income subject to withholding. (Entering "0" may help you avoid having too little tax withheld.) **C** _____
- D** Enter the number of **dependents** (other than your spouse or yourself) you will claim on your tax return. **D** _____
- E** Enter "1" if you will file as **head of household** on your tax return. **E** _____
- F** **Child Tax Credit** (including additional child tax credit): If your total income will be less than \$52,000 (\$77,000 if married), enter "2" for each eligible child. If your total income will be between \$52,000 and \$84,000 (\$77,000 and \$119,000 if married), enter "1" for each eligible child, plus "1" additional if you have for or more eligible children. **F** _____
- G** Add lines A through F for total Personal Exemptions. Enter this number in Part B if you choose to have federal income tax withheld. **Note:** This may be different than the number of exemptions you claim on your tax return. **G** _____

Completing Part C. State Income Tax Withholding

For detailed information about state income tax withholding, refer to the Virginia Department of Taxation web site at www.tax.virginia.gov to review the Virginia Form VA-4P. The "Personal Exemption Worksheet" from the VA-4P is provided below for calculating exemptions for state income tax purposes.

Calculate Personal Exemptions

- 1** Enter "1" for **yourself**. **1** _____
- 2** If you are married and your spouse is not claimed on his or her own certificate, enter "1". **2** _____
- 3** Enter the number of dependents you will claim on your state income tax return. (Do not include your spouse.) **3** _____
- 4** Add lines 1, 2, and 3 for total Personal Exemptions. Enter this number in Part C if you choose to have state income tax withheld. **4** _____

Calculate Exemptions for Age and Blindness

- 5** Age: a) If you will be 65 or older on January 1, enter "1". **5a** _____
b) If you claimed an exemption on line 2 above and your spouse will be 65 or older on January 1, enter "1". **5b** _____
- 6** Blindness: a) If you are legally blind, enter "1". **6a** _____
b) If you claimed an exemption on line 2 above and your spouse is legally blind, enter "1". **6b** _____
- 7** Add lines 5a through 6b for total Age and Blindness Exemptions. Enter this number in Part C if you choose to have state income tax withheld. **7** _____

AUTHORIZATION FOR DIRECT DEPOSIT OF MONTHLY BENEFIT

VIRGINIA RETIREMENT SYSTEM
 P.O. Box 2500
 Richmond, Virginia 23218-2500
 Phone 804/649-8059
 Toll Free 1/888/VARETIR (827-3847)
www.varetire.org

1. Social Security Number
2. Phone Number ()

If you are completing this form as Power of Attorney or guardian for a retiree or survivor, please attach a copy of your Power of Attorney or guardianship papers.

VRS will notify you when your request has been processed. If your mailing address changes, it is very important to notify VRS so you'll receive important information that is mailed to your mailing address, including the year-end tax statement and newsletters.

I hereby authorize VRS to deposit my monthly retirement benefit payment directly to my account at the financial institution shown below. I agree to provide written notification to VRS within 30 days of any changes to this information so that my monthly benefit may be properly distributed. I also authorize VRS to make adjustments to my account to correct any credit entries made in error.

NOTE: If you receive more than one benefit from VRS, this direct deposit authorization will apply to all benefits you receive.

3. Name (First) (MI) (Last) (Jr./Sr.)				
4. Mailing Address (Street) (City) (State) (Zip)				
<input type="checkbox"/> Check box if this is a new address				
5. Name of Financial Institution			6. Branch (City and State)	
7. Type of Account (Check one) <input type="checkbox"/> Checking <input type="checkbox"/> Savings				
8. Signature			9. Date	
<p>10. Provide a voided check or deposit slip with the correct routing information and account number. To ensure the information you provide is accurate, you may wish to contact your financial institution.</p> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">TAPE VOIDED DEPOSIT SLIP OR CHECK HERE</p>				

This form cannot be processed unless it is signed and dated (items #8 and #9).

