

**On 10/31/2017 the CBRC requested a summary comparison of all benefits provided to active and retired staff for both schools and county, including the employer and employee contributions for all benefits, including retirement plans, and including the number of retirees on each policy plan.**

In response to that question, both Spotsylvania County and Spotsylvania County Schools participate in the Virginia Retirement System (VRS), with County and School employees qualifying for the same retirement benefits.

In recognition of their hazardous duties, VRS offers enhanced coverage for Sheriff and Fire and Rescue Emergency Services employees who meet certain requirements. For example, while there is a new VRS Hybrid Plan for employees who are hired after June 30, 2012, hazardous duty employees qualify for the original VRS plan coverage, regardless of their date of hire.

Counties can elect to pay an additional cost to provide enhanced hazardous duty coverage for qualified public safety employees, which Spotsylvania County does. This enhanced coverage provides:

- The ability to retire sooner than non-hazardous duty employees
- A higher multiplier for benefit calculations
- A hazardous duty supplement (\$1,132 month current rate) that is provided in addition to their monthly retirement, from the date of their retirement until they reach their normal social security retirement age, for hazardous duty employees who retire with at least 20 years of service

<b>VRS Participation Counts</b>		
	<b>County VRS Participants</b>	<b>School VRS Participants</b>
Plan 1 – Membership dated before 7/1/2010 and vested as of 1/1/2013	495	1885
Plan 2 – Membership date before 7/1/2010 and not vested as of 1/1/2013, or membership dates is between 7/1/2010 and 12/31/2013	287	389
Hybrid – membership date is on or after January 1, 2014 or employee elected Hybrid Plan, except law enforcement officer, firefighter or emergency medical technician, because the County provides enhanced hazardous duty benefits, so they are covered on VRS Plan 1 or Plan 2 depending on their membership date.	156	654

<b>VRS Contribution Rates</b>		
	<b>Employer Rate</b>	<b>Employee Rate</b>
County Employees	9.51%	5%
School Teacher Plan	16.32%	5%
School Teacher Retiree Health Credit	1.23%	0%
School Employees (Non-Teacher)	6.62%	5%

The following pages detail the VRS plan and provide details about the Health Insurance plans offered to County and School retirees.

## Retirement Plan Provisions at a Glance

	PLAN 1	PLAN 2
	<i>Membership date before July 1, 2010, and vested as of January 1, 2013</i>	<i>Membership date before July 1, 2010, and not vested as of January 1, 2013, or membership date is between July 1, 2010, and December 31, 2013.</i>
<b>Average Final Compensation</b>	Average of your 36 consecutive months of highest creditable compensation as a covered employee.	Average of your 60 consecutive months of highest creditable compensation as a covered employee.
<b>Member Contribution</b> <i>Your account accrues 4 percent interest annually on the balance as of the previous June 30.</i>	<p>If you are a state employee, you pay the member contribution. This excludes state elected officials, judges and non-covered wage employees.</p> <p>If you were an employee of a school division or a political subdivision as of June 30, 2012, you or your employer (on your behalf) pays the member contribution, as elected by your employer. Some employers elected to phase in the 5 percent member contribution. If you were hired or re-hired after July 1, 2012, you pay the 5 percent member contribution.</p>	
<b>Vesting</b>	You are vested when you have at least five years of service credit. Vesting is the minimum length of service needed to qualify for retirement or to receive a full refund of your member contribution account balance.	
<b>Refunds</b>	<p>If you leave your job, you can request a refund of your member contributions and interest. If you are vested or involuntarily separated from employment for causes other than job performance or misconduct, you will receive a full refund of your member contribution account balance. If you are not vested, you will receive a refund of the balance, excluding any member contributions made by your employer to your account after July 1, 2010, and the interest on these contributions.</p>	
<b>Normal Retirement Age</b>	VRS: Age 65.	Normal Social Security retirement age. A Social Security age chart is provided in Chapter 5 – After You Retire.
	----- SPORS, VaLORS and eligible political subdivision hazardous duty employees: Age 60.	

### Hazardous Duty Supplement

If you have enhanced hazardous duty coverage and retire with at least 20 years of hazardous duty service credit, you may be eligible for a supplement to your retirement benefit. For more information, contact your human resource office or refer to the current *Handbook for Members* for Plan 1 or Plan 2 available at [www.varetire.org](http://www.varetire.org).

## PLAN 1

*Membership date before July 1, 2010, and vested as of January 1, 2013*

## PLAN 2

*Membership date before July 1, 2010, and not vested as of January 1, 2013, or membership date is between July 1, 2010, and December 31, 2013.*

### Earliest Unreduced Retirement Eligibility

VRS: Age 65 with at least five years of service credit or age 50 with at least 30 years of service credit.

Normal Social Security retirement age with at least five years of service credit or when age and service equal 90. *Example:* Age 60 with 30 years of service credit.

SPORS, VaLORS and eligible political subdivision hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.

### Earliest Reduced Retirement Eligibility

VRS: Age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.

Age 60 with at least five years of service credit.

SPORS, VaLORS and eligible political subdivision hazardous duty employees: Age 50 with at least five years of service credit.

### Retirement Multipliers

VRS: 1.7 percent

VRS: 1.65 percent on service earned, purchased or granted on or after January 1, 2013, and 1.7 percent on service earned, purchased or granted before January 1, 2013.

SPORS, sheriffs and regional jail superintendents: 1.85 percent

VaLORS: 1.7 percent or 2.0 percent

Political subdivision hazardous duty employees with enhanced benefits: 1.7 percent or 1.85 percent, depending on the employer's multiplier choice under the enhanced benefit election.

### Cost-of-Living Adjustment (COLA)

*See Chapter 5 – Cost of Living Adjustment for information on COLA effective dates.*

Matches the first 3 percent increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional 4 percent increase, up to a maximum COLA of 5 percent.

Matches the first 2 percent increase in the CPI-U and half of any additional 2 percent increase, for a maximum COLA of 3 percent.

## Checklist and Information - VRS Hybrid Retirement Plan

Hybrid Plan Members can use this checklist as a guide to review key elements of the Hybrid Retirement plan. Other information about the plan can be found on the [VRS Website](#) and in the Hybrid Retirement Plan Handbook.

### Information for Hybrid Retirement Plan Members

	You will receive welcome letters from VRS and ICMA-RC that contain Hybrid Retirement Plan information. VRS administers your retirement plan and has selected ICMA-RC as the third-party administrator for the defined contribution component.
	The Hybrid Retirement Plan has <a href="#">two components</a> : <ul style="list-style-type: none"> <li>• A defined benefit component. You contribute 4 percent to the defined benefit component.</li> <li>• A defined contribution component. You contribute 1 percent to the defined contribution component.</li> </ul>
	You have the option to make additional <a href="#">voluntary contributions</a> to the defined contribution component of the hybrid plan. Your employer will provide an employer match on your voluntary contributions.
	VRS provides you various <a href="#">investment options</a> so you can take an active or more passive approach to investing your contributions to the defined contribution component.
	<a href="#">Vesting</a> for the defined benefit component is different than for the defined contribution component of the hybrid plan. Read the Hybrid Retirement Plan Handbook for details on this plan provision and other plan provisions.
	Disability benefits are offered at no cost to you. Political subdivision and school division employees are covered under the <a href="#">Virginia Local Disability Program (VLDP)</a> .

### Action Items

	Separate beneficiary designations are needed for the <a href="#">defined benefit</a> and <a href="#">defined contribution</a> components of the hybrid plan. Complete a beneficiary designation form for each component. If you do not designate a beneficiary, your benefits will be paid by order of precedence.
	After receiving the welcome letter from ICMA-RC, you will begin managing your defined contribution component investments through Account Access with ICMA-RC. You can change voluntary contributions on a quarterly basis. Go to <a href="http://www.varetirement.org/hybrid.html">http://www.varetirement.org/hybrid.html</a> and log into your account, or call an Investor Services Representative at 1-VRS-DC-Plan1 (1-877-327-5261). Select option 1.

	After receiving a welcome letter from VRS, register for secure, online myVRS account access. Here, you can view account totals for the defined benefit and defined contribution components of the hybrid plan.
	<a href="#">Subscribe to Member News</a> , VRS' quarterly e-newsletter.
	You have two years from your hire date to purchase all but refunded prior service at approximate normal cost. After two years, your cost changes to actuarial.

## Additional Resources

	<a href="#">Hybrid Retirement Plan handbook</a> : The handbook is available on the VRS website.
	<a href="#">Virginia Local Disability Program (VLDP) Handbook</a> : This handbook also is available on the VRS website.
	<a href="#">myVRS</a> : Access your account balance information in this secure, online account.
	<a href="#">Defined contribution component Account Access</a> : Manage investments and increase contributions to the defined contribution component of the plan with ICMA-RC. Go to <a href="http://www.varetire.org/hybrid">www.varetire.org/hybrid</a> to log into your account.
	<a href="#">VRS Hybrid Retirement Plan website</a> : Find the latest publications and forms, register for free educational sessions and find investment options and information.
	<p><a href="#">VRS member education and counseling</a>: VRS provides one-on-one counseling by phone or in person, and also holds educational sessions around the state and through webinars. For questions related to the Hybrid Retirement Plan, contact the Hybrid Retirement Plan Support Team at 1-855-291-2285 or email <a href="mailto:vrshybridsupport@varetire.org">vrshybridsupport@varetire.org</a>.</p> <p><a href="#">ICMA-RC Learning Opportunities</a>: ICMA-RC also provides learning opportunities for Hybrid Retirement Plan members, including webinars, investment videos, classroom sessions and one-on-one consultations. You also can call 1-VRS-DC-PLAN1 (1-877-327-5261) and select option 2 or email <a href="mailto:InvestorServicesCommonwealthofVA@icmarc.org">InvestorServicesCommonwealthofVA@icmarc.org</a> with questions about the defined contribution component.</p>
	<a href="#">Member News</a> : Stay up to date on the latest benefit information and other news from VRS.

**Questions? Call VRS toll-free at 1-888-VARETIR (1-888-827-3847).**

<b>When does an employee qualify for retirement under the Hybrid Retirement Plan?</b>	<b>Defined Benefit (DB) Component</b>	<b>Defined Contribution (DC) Component</b>
	<p>You qualify for an unreduced retirement when you reach your normal Social Security retirement age and have at least five years of creditable service or when your age and service equal 90 (Rule of 90). Example: Age 60 with 30 years of creditable service.</p> <p>You can retire with a reduced benefit as early as age 60 or if you have at least five years of creditable service.</p>	<p>Upon retiring or leaving employment, you can withdraw up to 100 percent of your Hybrid 457 Deferred Compensation Plan account balance.</p> <p>You are also eligible to withdraw your Hybrid 401 (a) Cash Match Plan account balance. Withdrawals of your 401 (a) employer contributions and net investment earnings on employer contributions are subject to a vesting schedule.</p> <p>There are a variety of distribution options under the defined contribution component.</p>

## Retiree Health Insurance Benefit

### County

Employees eligible for Full Virginia Retirement System (VRS) Retirement Hired Prior to November 1, 2007	Must complete ten consecutive years of regular full-time employment with the County immediately prior to full retirement under VRS or Social Security retirement to be fully subsidized by the County for the County's standard employee only health insurance plan.
Employees eligible for Full VRS Retirement Hired on or after November 1, 2007	Must complete twenty consecutive years of regular full-time employment with the County immediately prior to full retirement under VRS or Social Security retirement to be fully subsidized by the County for the County's standard employee only health insurance plan.
Employees eligible for Reduced VRS Retirement	Employees who retire with a reduced VRS or Social Security benefit must complete at least twenty consecutive years of regular fulltime employment with the County prior to retirement to be eligible for 50% subsidy towards employee only health insurance coverage. For every additional consecutive year of service worked over twenty years the employee receives an additional 5% subsidy toward their coverage, for example 21 Years = 55%; 22 years = 60%; 23 Years = 65%, up to 30 years @ 100%.
Coverage for Retiree	Retiree health insurance plan is the same basic plan coverage that is provided to active employees. Retirees may choose to enroll in higher level plan, at their cost.
Coverage for Retiree's Spouse or Family	Retirees may choose to enroll their spouses or family members in one of the County's plans, with the retiree paying 100% of the cost.
VRS Health Insurance Credit – a tax free benefit that assists retirees with health insurance premiums they pay for single coverage under qualified health plans, excluding any portion of the premium covering a spouse or dependent.	<p>General Registrars and their employees, Constitutional Officers and their employees and local social service employees who retire with at least 15 years of service credit, may be eligible for the health insurance credit.</p> <p>The credit is a monthly dollar amount that is earned for each year of service credit. Qualified employees (as noted above) earn \$1.50 per year of service with a monthly cap of \$45.00</p>

## Retiree Health Insurance Benefits

### Schools

Employees hired prior to July 1, 2007	Must be at least 55 years of age, have at least five (5) consecutive years of service with Spotsylvania County Public Schools, and be eligible for and receive an immediate retirement annuity; or, be at least 50 years of age, have at least ten (10) consecutive years of service with Spotsylvania County Public Schools, and be eligible for and receive an immediate retirement annuity. Must be eligible to enroll in the School Board's health insurance program for a period of one year prior to seeking retiree healthcare benefits.
Employees Hired on or after July 1, 2007	Must have at least fifteen (15) consecutive years of service with Spotsylvania County Public Schools, and be eligible for and receive an immediate retirement annuity. Must be eligible to enroll in the School Board's health insurance program for a period of one year prior to seeking retiree healthcare benefits.
<p>Coverage – Prior to Medicare Eligibility</p> <p>Employees must meet the eligibility for healthcare retiree benefits</p> <p>Survivor Annuitant</p>	<p>Prior to Medicare eligibility, retirees may choose from the same health insurance options as an active employee. The level of coverage available includes, retiree only, retiree + one or family.</p> <p>Employees hired prior to July 1, 2009 pay the same premiums as active employees while they are pre-Medicare eligible</p> <p>Employee hired on or after July 1, 2009, the employer will contribute a set dollar amount (\$214) towards the total premium with the retiree responsible for paying the balance of the total premium</p> <p>If ineligible for any other comparable health insurance plan, the spouse of a deceased retiree could continue subscription to the group health insurance plan if the provider allows the participation. The spouse would be responsible for the total cost of the health premium with no employer contribution.</p>
<p>Employees who are Medicare eligible</p> <p>Employees must meet the eligibility for healthcare retiree benefits</p>	<p>The retiree and/or spouse must apply for and receive Medicare coverage (Part A and Part B)</p> <p>A Medicare supplement plan is available to the retiree and spouse</p> <p>Retirees hired prior July 1, 2009, pay a retiree portion (\$36.30) of the Medicare Supplement Plan, which includes a Part D Prescription plan. The spouse of a retiree pays (\$117) but does not have the option to enroll in the Part D Prescription Plan</p> <p>Retirees hired on or after July 1, 2009, the employer will contribute a set dollar amount (\$60.50) towards Medicare Supplement Plan and \$38.75 towards the Medicare Part D Prescription Plan with the retiree responsible for paying the balance of the total premium</p>
VRS Health Insurance Credit – a tax free benefit that assists retirees with health insurance premiums that they pay for single coverage	<p>Teachers and Administrative School Employee, who retire with at least 15 years of service credit, may be eligible for health insurance credit.</p> <p>The credit is a monthly dollar amount that is earned for each year of VRS service. Teachers and other professional employees of the school division earn \$4.00 per year of VRS service with no maximum cap but cannot exceed the amount of the individual's health insurance premium.</p>