

Frequently Asked Questions – Retirement

What is the Voluntary Retirement Incentive Program?

The Voluntary Retirement Incentive Program (VRIP) is a one-time incentive payment made to eligible employees electing to voluntarily retire from Poquoson City Public Schools (PCPS). The VRIP *is not* an ongoing program of PCPS. The VRIP was approved by the School Board in December 2010 and will expire June 30, 2011.

What is the PLOP?

PLOP or Partial Lump-Sum Option Payment is another choice of how the VRS benefit you earn as a member can be paid to you. You may choose to receive one, two or three years of benefit payments in a lump sum at the time of your retirement.

- PLOP provides you with the flexibility to take a portion of your benefit as a lump-sum cash payment at the time you retire.
- PLOP allows you to receive a cash payment while you retain nearly the same monthly benefit.
- The PLOP option gives you access to your retirement funds in case of financial emergencies.

When will I receive my PLOP payment?

Your PLOP payment will be paid when you are scheduled to receive your first retirement check.

Please note, employees planning to retire must submit their paperwork to VRS as soon as possible. VRS needs 60-90 days to ensure that retirement checks are processed the month after an employee retires.

Employees that retire on July 1 should receive their first retirement check at the beginning of August. For 10 month employees, you will receive a payroll check and your first retirement check in August if your paperwork was submitted in a timely manner to VRS.

Who is Eligible for the PLOP?

If you are age 50 and have more than 30 years of VRS service or if you are over the age of 65 and have more than 5 years of VRS service then you are eligible for the PLOP.

The following is an example of how the PLOP may benefit you. Please contact Debbie Bunting at 868-3043 to determine your actual benefit.

Age at Retirement	Final Compensation	Years of VRS Service	Monthly Benefit	Max PLOP	Monthly Benefit with PLOP
50	\$36,576	30	\$1,554.48	N/A	N/A
51	\$38,040	31	\$1,607.59	\$20,047.08	\$1,561.38
52	\$39,564	32	\$1,793.57	\$43,045.63	\$1,555.58
53	\$41,148	33	\$1,923.67	\$69,252.08	\$1,534.94

What are the tax consequences of PLOP?

The partial lump-sum payment is subject to taxes (20 percent federal and 4 percent state) at the time you receive the payment. If you are younger than 55, you must also pay a 10 percent penalty on the amount of the lump-sum payout for early distribution from a pension plan.

You may delay paying taxes on your lump-sum payment by rolling the taxable amount into an IRA or 403(b) account. You should consult your financial advisor to determine your tax liability. First Financial Group is available to assist employees with their questions. Please contact Bill Bowen at 868-3059.

What are my options for health insurance?

If you retire with 15 or more years of service, VRS provides a health insurance credit premium. VRS will pay you \$4/month for each year of service for your health insurance for Teachers and Administrators or \$1.50/month for all other employees.

If you are currently enrolled in the PCPS health insurance program, as a PCPS retiree you may continue participating in PCPS health insurance program until you qualify for Medicare. The retiree must pay the full cost of the premium. The benefit you receive from PLOP could be used to assist you with your health insurance premium. You may want to consult a financial advisor if this is an option you want to consider.

If you have any additional questions, please feel free to contact Debbie Bunting at 868-3043 or Bill Bowen at 868-3059.