

PERSONNEL

Retiree Benefits Programs

A. Pension Plan~~Virginia Retirement System (VRS)~~

~~The school board will pay the~~ Virginia Retirement System (VRS) ~~contributions for all eligible employees.~~ administers the defined benefit portion of the retirement plans, while ICMA-RC administers the defined contribution portion of the Hybrid retirement plan. The defined benefit provides a monthly benefit in retirement based on: age, creditable service, and average final compensation (AFC). Employee benefits are funded through member and employer contributions, which are invested over the employee's career. The defined contribution is based on the investment amount and the performance of the contributions.

Eligibility for retirement under VRS (Employee must have the appropriate age and services with VRS):

1. Plan 1 Members

- a. Reduced benefit: age 50 with 10 years of services credit or age 55 with 5 years of service.
- b. Unreduced benefit: age 65 with at least 5 years of services credit or age 50 with at least 30 years of service credit.

2. Plan 2 Members/Hybrid Members

- a. Reduced benefit: age 60 with at least 5 years of service credit.
- b. Unreduced benefit: Normal Social Security retirement age with at least 5 years of service credit or when age and service equal 90. Example: age 60 with 30 years of service.

B. 403(b) Retirement Savings Plan~~Tax Sheltered Annuities (TSA)~~

Editor's Note

See Division Regulation 4-36.3.

Any contributions and investments in the 403(b) Retirement Savings Plan should continue to be managed by the retiree with the 403(b) provider.

C. 457 Deferred Compensation Plan (DC)~~Supplemental Retirement Program~~

Any contributions and investments in the 457 Deferred Compensation Plan should continue to be managed by the retiree with the 457 provider.

1. Eligibility

- a. ~~Employee must be covered by VRS.~~
- b. ~~Last ten years employed with Virginia Beach City Public Schools for 1993-94; with ten other years experience credit in education related fields. Last fifteen years employed with Virginia Beach City Public Schools for 1994-95; with ten other years experience credit in education related fields.~~
- c. ~~The combined employee age plus full-time service credit totals at least 75 in 1993-94 and 80 in 1994-95 and thereafter.~~
- d. ~~Age is between 55 and 65.~~
- e. ~~Benefits will not be paid concurrently with disability retirement.~~

2. Conditions

~~The employee will be responsible for working the immediate one-half of their contract year following their retirement. The employee will have officially retired under VRS prior to being eligible for the plan and prior to receiving twenty (20) per cent of their VRS calculated average salary.~~

3. Benefits

~~General salary increases will be provided that are equivalent to those received by employees for that year.~~

~~Hospitalization insurance coverage will be provided by the school division up to age 65 for those who qualify unless other qualifying events exclude those individuals. The same employer health insurance premiums will be provided the retiree with 25 years experience in Virginia Beach as currently exists. Other employees will be eligible to receive fifty (50) per cent of the employer's contribution to one of the school division's approved plans while enrolled in the Supplemental Retirement Plan.~~

~~Employees will be eligible to receive twenty (20) per cent supplement for up to five (5) years. The employee will not be eligible to receive supplements when the employee reaches age 65.~~

D. ~~D.~~ Benefit Plans

The employee must retire under the Virginia Retirement System (VRS) at the time of severance from employment to be deemed a Retiree.

1. Health Plan

- a. Hired prior to 7/1/14 with 25 years or more of cumulative employment with Virginia Beach City Public Schools (VBCPS) or combined with City of Virginia Beach (COVB) employment:

Employees who meet this criteria may elect retiree coverage *with the employer contribution*, if the employee: is enrolled at the time of retirement; is not yet eligible for Medicare; and elects coverage within thirty (30) calendar days following the last day of employment. The retiree will continue to receive the employer contribution towards the VBCPS/COVB Health Insurance as long as the retiree meets the eligibility criteria. The retiree will lose eligibility upon becoming Medicare eligible. The employee's spouse will lose eligibility upon the retiree or themselves becoming Medicare eligible. The retiree may add or drop dependents during the initial election period, annual open enrollment period, or a qualifying event.

- b. Hired prior to 7/1/14 with less than 25 years or more of cumulative employment with VBCPS or combined with COVB employment:

Employees who retire with this criteria may elect retiree coverage but must pay the full cost of coverage, if the employee: is enrolled at the time of retirement; is not yet eligible for Medicare; and elects coverage within thirty (30) calendar days following the last day of employment. The retiree will lose eligibility upon becoming Medicare eligible. The employee's spouse will lose eligibility upon the retiree or themselves becoming Medicare eligible. The retiree may add or drop dependents during the initial election period, annual open enrollment period, or a qualifying event.

- c. School employees hired on or after July 1, 2014 with 15 years of employment:

Employees who retire with this criteria may elect coverage but are not eligible for the employer contribution, if the employee: is enrolled at the time of retirement; is not yet eligible for Medicare; and elects coverage within thirty (30) calendar days following the last day of employment.

- d. School employees hired on or after July 1, 2014 with less than 15 years of employment:

Employees are not eligible for the employer contribution or to continue coverage under the group plan; however, they may be eligible for benefits under the Public Health Service Act (PHSA).

2. Health Savings Account

- a. –Any monies remaining in the Health Savings Account at retirement belong to the retiree and can be used for qualified medical expenses. Enrollment in a high deductible health plan was required to make contributions to the plan; however, the retiree does not need to be enrolled in a high deductible health plan to utilize the monies on qualified expenses.

E. Wellness Program

Retirees enrolled in the retiree health plan may participate in the Wellness programs and should reference Wellness materials for details on participation.

F. Dental plan

EmployeesRetirees may elect coverage as a retiree if the employee is ~~must be enrolled in dental coverage at the time of retirement; is -not yet eligible for Medicare; and in order to elects coverage as a retiree. If the retiree does not elect coverage within 30 days following the last day of employment.at the time of retirement, he/she will be ineligible to reinstate insurance coverage at a later date, for any reason.~~

G. Legal Plan

Retiree must elect to continue coverage within thirty (30) calendar days following the last day of employment. Enrollment and payment areis made directly with the benefit vendor.

—Long Term Care

Retiree must elect continuation of coverage within 30 days following the last day of employment to continue coverage at existing rate. Retiree may elect new coverage at any time if not currently enrolled. New coverage will begin the first of the month following medical approval. Enrollment and payment is made directly with the benefit vendor.

H. Optional Life Insurance

Retiree must be enrolled in the Optional Life Insurance as an Active employee at time of retirement. -Retiree may be eligible for conversion if policy was in force for 5 years prior to retirement. -Conversion must be applied for through the benefit vendor within 31 days following retirement.

Legal Reference:

Code of Virginia § 15.2-1517, as amended. Insurance coverage for employees and retired employees of localities and other governmental entities; participation by certain volunteers.

Code of Virginia § 51.1-100 *et seq.*, as amended. Virginia Retirement System.

Code of Virginia § 51.1.-600, *et seq.*, as amended. Government Employees Deferred Compensation Plan Act.

IRC 403(b), as amended. -Tax-Sheltered Annuity Plans.

IRC 457, as amended. Deferred Compensations Plans.

Related Links

School Board **Regulation 4-36.3**

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