

PERSONNEL

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Retiree Benefits

A. Pension Plan

The Virginia Retirement System (VRS) 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

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)

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

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 eligibly. 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

Employees may elect coverage as a retiree if the employee is enrolled in dental coverage at the time of retirement; is not yet eligible for Medicare; and elects coverage within 30 days following the last day of employment.

G. Legal Plan

Retiree must elect to continue coverage within thirty (30) calendar days following the last day of employment. Enrollment and payment are 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, I, as amended. Government Employees Deferred Compensation Plan Act.

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

IRC 457, as amended. Deferred Compensations Plans.

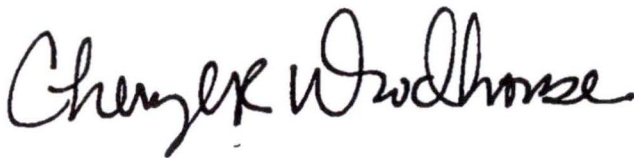
Related Links

~~School Board~~ **Regulation 4-36.3**

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APPROVED AS TO
LEGAL SUFFICIENCY

