

Retirees Frequently Asked Questions

Eligible to Retire

1. Question: Who is eligible to retire?

Answer:

Members who are:

Age:	Years:	Benefit:
50	10	Reduced Benefit
55	5	Reduced Benefit
50	30	Full Benefit
65	5	Full Benefit

Requesting an Estimate Online

Question: How do I request an estimate online to see what my monthly benefit will be?

Answer: You will need to set up a username and password at <https://www.varetire.org/myVRS> in order to view an estimate of your monthly benefit. You will see a tab for Benefit Estimator and that will walk you through the process depending on your retirement options and give you an estimate.

Forms to be Completed

Question: What forms do I need to complete for retirement?

Answer: As part of your retirement package you will need to complete the forms listed below. You can find these forms at www.varetire.org. **Retirement paperwork cannot be completed more than 4 months in advance of your retirement date. All paperwork should be completed and submitted to VRS within 90 days of your retirement date.**

VRS-5- Application for Retirement

VRS- 15- Request for Income Tax Withholding

VRS- 57- Authorization for Direct Deposit of Monthly Benefit

VRS-78- Authorization to Deduct Insurance Premiums and Application for Health Insurance Credit **(for Professional Employees Only who are under 65 and remaining on LCS insurance)**

VRS- 45-Request for Health Insurance Credit-**If you are over age 65 or not staying on LCS insurance**

VRS-2- Designation of Beneficiary- to ensure that all beneficiaries are up to date

Along with the forms above you will also have to include a copy of your birth certificate or passport.

Once you have completed all forms please contact the Benefits Department at LCS for completion of the employer portion of the Application for Retirement.

Health Benefit Coverage:

Question: How much will the health, dental and/or vision coverage cost each month?

Answer: The cost to continue your health, dental and/or vision coverage is:

	Health insurance effective Jan 1, 2017		
	\$650 Deductible	Dental	Vision
Single:	\$432.21	\$28.00	\$ 4.08
Employee + Spouse	\$748.00	\$50.00	\$ 8.16
Employee + Child	\$598.00	\$50.00	\$ 8.16
Employee + Children:	\$717.46	\$76.00	\$12.24
Family:	\$903.31	\$76.00	\$12.24

Question: Who are eligible to continue health, dental and/or vision coverage as a retiree?

Answer: Any retiree that has worked for the Lynchburg City Schools for ten (10) consecutive years and is eligible to retire under the Virginia Retirement System is eligible to continue health, dental and/or vision insurance until age 65.

Question: As a retiree, will I be able to make changes to my health, dental and/or vision coverage?

Answer: Yes, during open enrollment you will be able to make plan option changes.

Question: How long can I continue under LCS health, dental and/or vision coverage?

Answer: You may continue health, dental and/or vision coverage until age 65 or when you become Medicare eligible, whichever occurs first. If your spouse is on your retiree plan at the time of retirement and is eligible for Medicare, your spouse is then ineligible to continue under your retiree coverage.

Question: When the employee retires and the spouse is still employed, can the employee add the retiree to the employee coverage?

Answer: Yes, the employee that is still employed can add the dependent (s) to his/her coverage.

Question: How will I pay for my health, dental and/or vision coverage?

Answer: If your retirement check from VRS is enough to cover your elected benefits, you have no choice but to have your deductions withheld from your VRS check.

Question: What if my retirement check is not enough to cover my health, dental and/or vision premium?

Answer: If you're VRS check is not enough to cover the full cost of your benefits, you will have to send a check to LCS each month for the **entire** premium. Payment will be due the 5th of each month for that month's coverage.

Question: Is there a form I need to complete for my deduction to be withheld from my VRS check?

Answer: Yes, you will need to complete the VRS-78 *Authorization to Deduct Insurance Premiums and Application for Health Insurance Credit* form. The form is located at www.varetire.org.

Question: When will the first retirement benefit(s) deduction be taken if I retire July 1?

Answer: If your retirement date is July 1, your first deduction will be taken from your September 1st retirement check. Your retiree insurance would start August 1st and VRS takes those deductions 1 month in arrears.

Question: When will the first deduction be taken if I retire during the school year?

Answer: If you retire during the school year, the first deduction will be 30 days from your retirement date. Example: Retirement date April 1; first deduction will be May 1.

Question: Can I continue just health, dental and/or vision coverage?

Answer: Yes, you can continue just health, or just dental or just vision.

COBRA Insurance:

Question: What if I am eligible to retire under VRS but have not worked for LCS for 10 consecutive years. Can I continue the health, dental and/or vision?

Answer: No, however, you will be offered COBRA which is continuation coverage for up to 18 months.

Question: What is COBRA?

Answer: COBRA is a continuation coverage that is offered by your employer to qualified individuals that are no longer eligible for their current group health coverage.

Health Credit:

Question: What is a health credit?

Answer: Health credit is a credit given to an employee by the Virginia Retirement System (VRS) each month to off-set the cost of their health, dental and/or vision coverage.

Question: Who is eligible for the health credit?

Answer: Professional employees who have at least 15 years of creditable years of service under the Virginia Retirement System (VRS) are eligible for the health credit.

Question: How much of a health credit will I receive?

Answer: You will receive \$4.00 for each year of creditable years of service under VRS.

Question: How does it work?

Answer: You will receive a credit back into your VRS retirement pension after taxes.

Question: Is there a maximum amount of health credit that I can receive?

Answer: No, there's no maximum amount of health credit that an employee can receive.

Question: How long will I receive the credit?

Answer: You will receive the credit as long as you receive a VRS pension.

Question: What do I have to do to start receiving the health credit?

Answer: To receive the health credit, you will have to complete the VRS-78-*Authorization To Deduct Insurance Premiums And Application For Health Insurance Credit* form or the VRS-45-*Request for Health Insurance Credit* form. These forms are located at www.varetire.org.

Question: Will I still be eligible for the health credit if I pay for my benefits directly to LCS?

Answer: Yes, however, if you pay for your benefits directly to LCS, you have to complete the VRS-45-*Request For Health Insurance Credit* form before receiving the health credit. The form is located at www.varetire.org.

Basic Life Insurance:

Question: Do I have life insurance coverage after I retire?

Answer: Yes, basic life insurance paid and provided by LCS will continue after retirement. However, the amount of your basic life insurance reduces by 25% annually starting January 1 of the first full year following retirement. Your basic life insurance will continue to decrease until the value reaches 25%.

Question: If I retire under disability, do I have life insurance coverage?

Answer: Yes, basic life insurance paid and provided by LCS will continue after your disability retirement. However, the amount of your basic life insurance reduces by 25% annually starting January 1 after you reach age 65. Your basic life insurance will continue to decrease until the value reaches 25%.

Question: Will I pay taxes on my basic life insurance?

Answer: Basic life insurance is subject to FICA, federal and state income taxes, only on coverage in excess of \$50,000.

Optional Life Insurance

Question: Can I continue my optional life coverage?

Answer: Coverage can be continued as long as you have had it for 5 years. You have 31 days from the end of the month in which retirement occurs to convert to an individual policy. Coverage can only be continued under either Option 1 or Option 2.

Question: How long can I continue optional life coverage?

Answer: Optional life benefits will reduce at age 65 and all insurance will terminate at age 80.

Retirement Payout Options:

Question: What retirement payout options do I have?

Answer: You have five (5) choices depending on your age and years of service.

Basic Benefit

Advanced Pension – (Need Estimate From Social Security –PEBES)

Partial Lump Sum Option (PLOP)

Basic Benefit with Survivor Option

Survivor with PLOP

Question: Can I change my retirement payout options?

Answer: Yes, you may make changes to your retirement payout option as long as you have not received your first pension payment. Once you have received payment, you may **not** make changes unless you have chosen the Survivor or Survivor with PLOP option.

Question: Can I work after I retire?

Answer: Yes, you may accept employment in the private sector which will not affect your VRS benefit. However, if you choose to work for LCS or a VRS participating employer you **must** take a bona-fide break in service of at least one full calendar month during your contract period. **You cannot perform any services voluntary or paid.** You also must come back in a position that is less than 7 hours per day in order to continue to receive your VRS benefit. If you retire July 1:

Example: 10 month employees – No work until September 1.

10.5 Or 11 month employees – No work until September 1.

12 month employees – No work until August 1.

Cost of Living (COLA)

Question: Will I receive a COLA increase?

Answer: Yes, if you retire with a reduced benefit and fewer than 20 years of service credit, you will become eligible for a cost-of-living adjustment on July 1 after one full calendar year (January 1 through December 31) from the date you would have become eligible for an unreduced benefit. If you were within five years of qualifying for an unreduced benefit as of January 1, 2013 or if you retire with at least 20 years of service credit, you will begin receiving the COLA on July 1 after one calendar year from your actual retirement date. The maximum COLA is 5%.

Question: Will I be paid for my sick days?

Answer: Yes, you will be paid at a rate of \$30.00 per day up to 90 days to a maximum of \$2,700.00. Taxes are taken from this amount.

Question: Can I use my sick leave payment to purchase VRS years of service?

Answer: Using sick time to purchase service is an option but you are only able to purchase the amount that we would pay you for, which is up to 90 days (3 months of service). LCS would set up a cost letter in VRS so that you would have the information and also VRS will make you aware that that amount is taxed. If you choose to go this route the way it would work is instead of LCS paying you \$2,700 for your unused sick days we would in turn pay that money to VRS and that would give you up to 3 months in service credit.

Question: Will I be paid for my vacation days?

Answer: Yes, you will be paid your daily rate up to 36 days.

Question: Will I be paid for my personal days?

Answer: No.

Question: When will I be paid for my sick, or vacation days?

Answer: If your retirement date is July 1 and you are a 10, 10.5, 11 or 12 month employee, you will be paid no later than August 15th. If your retirement date is during the school year you will receive your sick leave pay after your final contract payout.

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