



# Plan 1: Virginia Law Officers' Retirement System (VaLORS)

<b>Average Final Compensation</b>	Your average final compensation is the average of your 36 consecutive months of highest creditable compensation as a covered employee.
<b>Service Benefit Calculation</b>	<p>Your unreduced Basic Benefit is calculated using the following formula:</p> $\begin{aligned} & \text{Average final compensation} \\ & \times \text{Retirement multiplier} \\ & \times \text{Total years of service credit at retirement} \end{aligned}$ <hr/> <p><b>Annual benefit amount</b></p> $\div 12 \text{ months}$ <hr/> <p><b>Monthly benefit amount before taxes and other deductions</b></p> <p>A reduction factor is applied to your monthly benefit amount if you retire with a reduced retirement benefit (see below) or a benefit payout option other than the Basic Benefit.</p>
<b>Cost-of-Living Adjustment (COLA)</b>	You receive cost-of-living adjustments (COLAs) to your retirement benefit to assist with rising costs. The COLA is based on the Consumer Price Index for all Urban Consumers (CPI-U), published by the U.S. Bureau of Labor Statistics and updated each July 1. During years of no inflation or deflation, the COLA will be 0%.
<b>Death-in-Service Benefit</b>	If you die while you are an active member ("in service"), your beneficiary or your spouse, minor child or parent may be eligible for a death-in-service benefit in addition to any life insurance benefits you may have.
<b>Disability</b>	If you are eligible to be considered for disability retirement and retire on disability, the retirement multiplier will be 1.7% on all service credit, regardless of when it was earned, purchased or granted, or you may be covered under the Virginia Sickness and Disability Program (VSDP). Learn more about VSDP at <a href="http://varetire.org/vsdp">varetire.org/vsdp</a> .
<b>Unreduced Service Retirement Eligibility</b>	Age 60 if you have at least five years (60 months) of service credit, or at age 50 if you have at least 25 years of service credit.
<b>Reduced Service Retirement Eligibility</b>	Age 50 if you have at least five years (60 months) of service credit.
<b>Hazardous Duty Supplement</b>	<p>If you were hired in a VaLORS-covered position before July 1, 2001, you had the option to retain the 1.7% retirement multiplier with eligibility for the hazardous duty supplement or elect a 2.0% multiplier with no eligibility for the supplement. If you were hired or rehired on or after July 1, 2001, your retirement multiplier is 2.0%; you are not eligible for the supplement.</p> <p>If your retirement multiplier is 1.7% and you retire with at least 20 years of eligible hazardous duty service credit, you will receive a supplement to your retirement benefit. The supplement is a dollar amount added to your monthly retirement benefit payment. It begins when you retire and ends when you reach age 65. Once you are credited with at least 20 years of hazardous duty service credit while working in a hazardous duty position, you retain eligibility for the supplement if you move to a non-hazardous duty position. You can also defer retirement and still receive the supplement. <i>(continued on next page)</i></p>

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**Hazardous Duty Supplement**

*(continued)*

You are not eligible for the supplement if:

- You are age 65 or older when you retire.
- You retire on disability.
- You retire from a position covered under VaLORS Plan 1 or Plan 2 and have a 2.0% retirement multiplier applied toward your hazardous duty service, even if you have earned 20 years of hazardous duty service.

Beneficiaries and survivors are not eligible for the supplement.

Other service eligible for the hazardous duty supplement that can count toward your 20 years of eligible hazardous duty service credit includes:

- Service in another VRS-covered position eligible for enhanced hazardous duty coverage.
- Service as a state police officer.
- Hazardous duty service covered under VaLORS Plan 1 with the 1.7% retirement multiplier.
- Hazardous duty service if you were covered under VaLORS with the 2.0% retirement multiplier, provided you retire from a position eligible for the supplement.
- Hazardous duty service with a VRS-participating political subdivision that does not provide enhanced hazardous duty coverage, provided you retire from a position eligible for the supplement.
- Prior service credit for refunded VRS hazardous duty service or for an eligible period of leave while covered under SPORS, VaLORS or VRS in a hazardous duty position, provided you purchase or are granted this service.

**Service not eligible for the supplement:**

Other types of prior service you may be eligible to purchase, such as active duty military service or hazardous duty service with a non-VRS participating employer, do not count toward eligibility for the hazardous duty supplement.

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**Mandatory Retirement Distribution**

If you defer retirement and do not apply for retirement by April 1 following the calendar year in which you turn age 73, VRS will pay you a retirement benefit (Basic Benefit option), as required by law. If you are not vested, you will receive a refund of your member contribution account balance, excluding any member contributions made by your employer to your account after July 1, 2010, and the interest on these contributions.

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**Normal Service Retirement Age**

Age 60.

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**Prior Service Credit**

Eligible prior service includes federal and other public service, active duty military service, certain types of leave and VRS refunded service. If you have prior service, you may be eligible to purchase this service as credit in your plan. Prior service credit counts toward vesting, eligibility for retirement and eligibility for the health insurance credit, if offered by your employer. Visit [myVRS.varetire.org](http://myVRS.varetire.org) to learn more.

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**Retirement Contributions**

You contribute 5% of your creditable compensation each month to your member contribution account through a pretax salary reduction. Your contributions are tax-deferred until you withdraw them as part of your retirement benefit or as a refund.

The *Code of Virginia* does not allow VRS members to borrow or withdraw funds from their member contribution accounts. You can take a refund of your member contribution account when you leave covered employment.

Your employer makes a separate contribution to VRS for all covered employees. VRS invests contributions to provide for your future benefit payment.

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**Service Credit**

Service credit has monetary value when it is used to calculate your retirement benefit or if you take a refund of your member contributions and interest. You earn service credit for each month you are reported in a covered position. Service credit can include credit for prior service you may purchase or additional service granted by your employer.

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**Service Retirement Multiplier**

A retirement multiplier is a factor that determines how much of your average final compensation will be used to calculate your retirement benefit:

- If your membership date in VaLORS is before July 1, 2001, your retirement multiplier is 1.7%. You also are eligible to qualify for the hazardous duty supplement in retirement (see above). You had the option to elect the 2.0% multiplier. If you elected this multiplier, you are not eligible for the supplement.
- If your membership date in VaLORS is on or after July 1, 2001, or if you leave your position and return to VaLORS-covered employment after a break in service of at least one full calendar month, your retirement multiplier is 2.0% with no eligibility for the supplement.

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**Vesting**

You become vested when you have at least five years (60 months) of service credit. Vesting means you are eligible to qualify for service retirement if you meet the age and service requirements for your plan. You also must be vested to receive a full refund of your member contribution account balance (member contributions and interest accrued) if you leave employment and request a refund.

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