

**Pre-Retirement Informational Session
Frequently Asked Questions (FAQs)
FY 2022-2023**

General Retirement Information

Q1. How do I know if I am eligible for retirement?

A1. You may access your VRS account through the VRS website.

Q2. How do I start the retirement process?

A2. The first step to start the retirement process requires the written notification to your principal or supervisor. After notifying your principal or supervisor, you must notify Dr. Nancy Jones-Oltjenbruns, Assistant Director of HR, in writing of your intent to retire.

Q3. What would be the effective date of my retirement?

A3. Generally, if you fulfill your contractual obligation, your retirement date will be July 1, 2022. If you are a Bus Driver or Bus Assistant, generally your retirement date will be September 1, 2022.

Q4. When can I expect my VRS application?

A4. For those retirees who wish to participate in PREP, your retirement letter must be received by February 1st, your on-line instructions will be mailed to you by February 12, 2022. If the letter is received by March 1st, you will receive the on-line instructions by March 12, 2022. All completed on-line applications must be submitted to the the VRS by the close of business on April 1, 2022.

Q5. Is there a required break in service in order to return to HCPS employment?

A5. Yes, there is a 90-day break in service before returning to HCPS after your retirement.

Q6. Can I work as a substitute/temporary employee after my retirement?

A6. No pre-established obligation to work after your retirement can be discussed prior to your retirement.

Q7. Will I have access to my HCPS email account after I retire?

A7. Your HCPS email account will close on your physical last day with the school division. If you return to HCPS as a PREP participant or temporary employee, your account will be reactivated after the 90-day break in service.

Q8. How do I ensure that my address and contact information are correct before I retire?

A8. Access your Employee Direct Access (EDA) account and review your personal information. If you need additional assistance, contact the Department of Human Resources.

Payout Information

Q1. When will I receive my annual leave payout?

A1. The payment for earned annual leave will usually be paid out by the second pay day following your last day worked prior to retirement.

Q2. When will I receive my personal/sick leave payout?

A2. The payment for earned personal and sick leave will usually be paid out by the second pay day following your last day worked prior to retirement.

Q3. How is the pay calculated?

A3. Annual leave is paid at the employee's hourly rate. Payment for earned and unused personal leave, will be paid out in the pay period following the last day worked prior to retirement. Sick leave and personal leave are paid at a rate of \$4 per hour. The maximum payout for sick leave is 2,000 hours, and 40 hours for personal leave. You may use your sick leave payout to purchase additional VRS service.

Q4. Can I defer my leave payout to a tax sheltered annuity?

A4. If you have a VALIC account, you can defer your leave payout to the 403b or 457 account you have with VALIC. If you wish to defer your leave payout to your VALIC account, please contact the Payroll Department, or your VALIC Financial Representative, prior to your last month of employment. You can defer part or all of your leave payout, up to the annual maximum limit for the calendar year.

VRS Options/Information

Q1. How do I obtain an estimate of my VRS benefits?

A1. All full-time employees have access to the VRS website. You can login or register on the VRS website at www.varetire.org. Once you are in the website, you will be able to prepare a confidential estimate under your MyVRS.

Q2. How do I submit my completed VRS application?

A2. Effective September 1, 2021, all service retirement applications must be submitted via the online, VRS process.

Q3. How long does it take for the VRS to process my retirement application?

A3. It takes the VRS approximately 90-days to process your application. Regardless, of when you retire, the 90-day processing time still applies.

Q4. When will I receive my first VRS paycheck?

A4. If you retire effective July 1, 2022, and your application is submitted to the VRS by April 1st, your first VRS compensation will be received on August 1, 2022. Contact the Assistant Director of Human Resources, if you select another retirement date.

Q5. How do I know if I have prior service to purchase?

A5. Contact [Kathy Williams](#) (kwilliams) in Payroll, to discuss your purchase of prior service options.

Q6. Is there a difference in a survivor and beneficiary as it relates to my retirement options?

A6. Yes, there is a difference between a survivor and beneficiary. With the survivor option, you elect to receive a lower monthly benefit during your retirement so that your survivor can receive a monthly benefit after your death. If you elect this option, you will choose a whole percentage of your benefit, between 10 percent and 100 percent, to go to your survivor. Your benefit amount will be based on this percentage, your age and the age of your survivor at your retirement date. You can name any living person as your survivor; you can also name more than one survivor. The Internal Revenue Service (IRS) may limit the amount of your benefit that can go to a non-spouse survivor. This is an irrevocable option except under certain circumstances. (See your VRS On-line

Member Handbook). Your beneficiary is eligible for a payment of any funds remaining in your member contribution account and any life insurance benefits you may have upon your death. You may designate a beneficiary or beneficiaries on the Designation of Beneficiary Form.

Q7. How is the PLOP taxed?

A7. If an employee has the Partial Lump-Sum Option Payment (PLOP) paid directly to them, it is taxed at 20% Federal and 4% Virginia. The IRS also may impose an additional 10 % tax penalty if you receive the PLOP before age 59 ½. You can defer the PLOP to your VALIC account, a 401k, IRA, etc., or you can defer part of it and have part of it paid directly to you. Any part that is paid directly to the employee, is taxed as stated above.

Q8. How is the PLOP received?

A8. You may elect a PLOP with the Basic Benefit or Survivor Option if you work at least one year beyond the date you first become eligible for an unreduced retirement benefit. You can choose an amount equal to one, two or three times your annual retirement benefit amount, depending on how long you work beyond your unreduced retirement eligibility date. This option is paid from your member contribution account and reduces your monthly benefit. Payments for PLOP come after your first monthly benefit check from VRS. The payment will arrive via the direct deposit information you list on your Application for Service Retirement. You can expect your PLOP payment between 4-6 weeks after the first direct deposit. If you wish to defer the PLOP, you will complete the information requested of your financial institution. Note: For most, their information should be listed on the right side, under taxable. The "non-taxable" on the left side only refers to any VRS service you may have purchased previously (purchase of prior service), and already paid taxes on. For clarity on your individual situation, please call VRS Member Services at 1-888-827-3847.

Post-Retirement Earnings Plan (PREP)

Q1. How do I know if I am eligible to participate in the Post Retirement Earning Plan (PREP)?

A1. Employees must have worked the last continuous 10 years (FT) with HCPS, must have at least 16 years of service in VRS, and must be an employee in good standing. To review the policy, see P4-04-005 Post-Retirement Earnings Plan (PREP), (Revised June, 2018).

Q2. How long can I remain in the PREP program?

A2. You may remain in the Plan until the attainment of age between 50 and not having

reached the age for full, unreduced Social Security benefits, or seven years whichever occurs first.

Q3. What is the deadline for applying for PREP?

A3. The deadline for submitting your retirement letter, with the intent to enter the Post-Retirement Earnings Plan is February 1, 2022.

Q4. What is the deadline for submitting my retirement letter without the PREP option?

A4. A retirement letter without PREP can be submitted to Human Resources at any time. It will take 90-days for the VRS to process your application. The deadline for submitting your retirement letter is March 1, 2022. Meeting this deadline will ensure the first VRS payment on August 1, 2022.

Q5. How will I know if I am accepted into the PREP program?

A5. You will be notified of your acceptance into PREP after the FY22-23 Annual Financial Plan is approved (mid-June, 2022).

Q6. When will I receive my first PREP check?

A6. You will receive your first PREP check on October 15, 2022.

Q7. What is the entrance date to enter PREP?

A7. When you indicate your intent to participate in PREP (by February 1), you will enter the Program on July 1st, and receive your first PREP compensation on October 15, 2022. For your first year in PREP, you will not be able to begin work with HCPS prior to October 1, 2022.

Healthcare Information

Q1. When can I expect my healthcare/dental insurance forms?

A1. Once the Health Benefits Office is notified of an employee's retirement, a packet containing COBRA, health and dental enrollment information is mailed 30-60 days prior to the retirement date. The mailing can be delayed if notification is not timely.