



RETIREMENT BENEFIT PLANS SUMMARY FOR GENERAL SCHEDULE EMPLOYEES COVERED UNDER VRS PLANS 1 AND 2

(Deputy Sheriffs, Medics, and Fire Marshals as well as Hybrid participants have a separate summary)

Administered by the Finance Department Pension Administration Division

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| Pension Administration Division 301 King Street - City Hall Room 1410 Alexandria, VA 22314 | | | Internal mail: City Mailbox 42 Email Retirement@alexandriava.gov Fax 703.836.0215 | | |
| Walk-In Hours: Monday, Wednesday, and Friday 11:30 a.m. – 2:00 p.m. Please call for an appointment at other times or to discuss retirement. | | | | | |
| Intranet for employees - AlexNet (Departments/Finance/Pension Administration Division); and 2) City website - alexandriava.gov/retirement Web sites have plan information, including plan documents, for all of the City retirement and 457 Deferred Compensation Plans. Pre-recorded retirement related information: 703.746.3906 | | | | | |

This document summarizes retirement plans that General Schedule employees may be eligible to participate in while working for the City. The section on each plan covers the eligibility requirements for that plan. These plans are covered in this summary:

1. Virginia Retirement System (VRS) retirement plans – **mandatory for regular, full-time employees (part-time employees are not eligible)**
2. City of Alexandria Supplemental Retirement Plan – **mandatory for regular, full-time and regular, part-time employees**
3. City of Alexandria 457 Deferred Compensation Plan – voluntary plan, payroll-deducted pre-tax retirement savings
4. Payroll Deduct Roth IRA with Mission Square – voluntary plan, payroll-deducted after-tax retirement savings

The VRS retirement plans include:

1. **Plan 1** provides retirement benefits for regular, full-time employees who were covered by VRS prior to July 1, 2010 and who were vested in VRS prior to January 1, 2013.
2. **Plan 2** provides retirement benefits for regular, full-time employees:
 - who were covered by VRS after June 2010 but prior to January 1, 2014; or
 - who were newly hired by the City December 2-31, 2013; or
 - who had a status change from part-time to full-time after June 2010 but before January 1, 2014; or
 - who were Plan 1 members but were not vested prior to January 1, 2013.
3. **Hybrid Retirement Plan** provides retirement benefits for regular, full-time employees:
 - who are newly covered by VRS on or after January 1, 2014; or
 - employees who were rehired by the City on or after January 1, 2014 who had prior VRS service that was refunded to the employee after leaving VRS-covered employment.

The City does not participate in other programs that VRS offers including:

- the enhanced benefit program for hazardous duty employees,
- the Virginia local Disability Program (VLDP),
- the Virginia Sickness and Disability Program (VSDP),
- optional life and health insurance programs, or
- the VRS 457 and Cash Matched Plans for Plan 1 and Plan 2 members.

Visit the VRS web site, www.varetire.org, for additional information. Be sure to view the correct section for your plan. Member Handbooks for Plan 1, Plan 2, and the Hybrid Retirement Plan can be found under Publications.

VRS is responsible for determining which plan an employee is a member. Employees may view this information when logging onto myVRS on the VRS website, www.varetire.org. Employees may also call VRS at 888.827.3847 for this information.

IMPORTANT

Contact Pension if VRS (VRS 5% EE) and Supplemental (SUP RET 2%EE) contributions are not being deducted from your paycheck by end of your second month. We will have to take out all missed contributions if we find out later that contributions were not deducted.

Virginia Retirement System (VRS) Employer ID 55200 Plan 1 and Plan 2 Information

The following information applies only to employees covered by VRS Plan 1 and Plan 2. Employees hired as a regular, full-time employee or transferred to the status of regular, full-time employee on or after January 1, 2014 are in the VRS Hybrid Retirement Plan. Information on that plan can be found on the VRS website.

Visit VRS website, www.varetire.org for more details on the VRS retirement plans and the benefits.

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| 1 | Type of Plan | <p>Plan 1 and Plan 2 are defined benefit pension plans.</p> <p>A defined benefit plan, such as Plan 1 or Plan 2, provides a monthly retirement benefit based on age, total service credit, and average final compensation.</p> |
| 2 | Eligibility | <p>Regular, full time City employees who are not covered employees under the Firefighters & Police Officers Pension Plan are members. (Part-time employees are not covered under VRS.) Participation is mandatory.</p> |
| 3 | VRS Membership Date | <p>If hired as a full-time employee after September 30, 2012:</p> <ul style="list-style-type: none"> • The first of the month hired if begin work <u>on the first working day</u> (Monday-Friday) of the month; or • The first of the following month if begin work <u>after the first working day</u> of the month hired. <p>The VRS membership date will be different than the above for employees who have an earlier VRS membership date due to prior VRS service and who have not taken a refund of their member contributions. Employees who received refunds of prior contributions also forfeited the service credit accrued.</p> |
| 4 | Type of VRS Member: Plan 1 or Plan 2 | <p><u>Plan 2 Member</u> You are a Plan 2 member if you became a VRS member after June 30, 2010 or if you were a Plan 1 member who was not vested on January 1, 2013.</p> <p><u>Plan 1 Member</u> You are a Plan 1 member if you were a member prior to July 1, 2010 <u>and</u> you were vested on January 1, 2013.</p> |

This is a summary of retirement benefits. The provisions of the plan documents will prevail in any instances where this summary differs from the plan document. Plans are subject to change.

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| 5 | Normal Retirement Age | <p><u>Plan 2 (includes Plan 1 not vested on 1/1/2013)</u> Social Security Normal Retirement Age [66 – 67 depending on year of birth] with at least five years of service.</p> <p><u>Plan 1 vested on 1/01/2013</u> Age 65 with at least five years of service. <i>Plan 1 members not vested on January 1, 2013 became Plan 2 members on that date.</i></p> |
| 6 | Eligibility for Unreduced Retirement Benefit | <p><u>Plan 2 (includes Plan 1 not vested on 1/1/2013)</u> Social Security Normal Retirement Age with at least 5 years of service credit or when age and service credits equal 90 (Rule of 90).</p> <p><u>Plan 1 and vested on 1/01/2013</u> At least age 65 with at least 5 years of service credit or at least age 50 with at least 30 years of service credit. <i>Plan 1 members not vested on January 1, 2013 became Plan 2 members on that date.</i></p> |
| 7 | Eligibility for Reduced/Early Retirement Benefit | <p><u>Plan 2 (includes Plan 1 not vested on 1/1/2013)</u> Age 60 with at least 5 years of service credit.</p> <p><u>Plan 1 vested on 1/01/2013:</u> At least age 55 with at least 5 years of service credit or at least age 50 with at least 10 years of service credit. <i>Plan 1 members not vested on January 1, 2013 became Plan 2 members on that date.</i></p> |
| 8 | Employee (Member) Contributions | <p><u>Plan 1 and Plan 2 employees</u> Contribute 5% to VRS</p> |
| 9 | Employer Contributions | <p><u>Plan 1 and Plan 2</u> The City makes employer contribution to VRS for covered employees. The employer contribution rate is 11.00% for FY 2024.</p> |
| 10 | Vesting | <p><u>Plan 1 and Plan 2</u> Employees who have accrued five years of service in VRS are vested. Purchased service counts toward vesting. Vested members are eligible to receive a monthly retirement benefit when they satisfy the age and service requirements. Members accrue one month of vesting service for each month contributions are paid to VRS.</p> |
| 11 | Service Credit | <p>Member accrues one month of service credit for each month contributions are paid to VRS.</p> |

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| 12 | Benefit Formula | <p><u>Plan 2 and Plan 1 not vested on January 1, 2013:</u></p> <p>1.65% multiplied by Average Final Compensation multiplied by years of service credit accrued after 2012 1.7% multiplied by Average Final Compensation multiplied by years of service credit accrued prior to 2013</p> <p><u>Plan 1 vested on 1/01/2013</u> 1.7% multiplied by Average Final Compensation multiplied by years of service credits <i>Plan 1 members not vested on January 1, 2013 became Plan 2 members on that date.</i></p> |
| 13 | Creditable Compensation | <p>Monthly base salary City reports to VRS; excludes overtime, shift differential, bonuses, special pay, etc. Monthly base compensation is calculated by dividing annualized salary by 12 months.</p> |
| 14 | Average Final Compensation | <p><u>Plan 2 (includes Plan 1 not vested on 1/1/2013)</u> Average of the highest consecutive 60 months of creditable compensation.</p> <p><u>Plan 1 vested on 1/01/2013</u> Average of the highest consecutive 36 months of creditable compensation. <i>Plan 1 members not vested on January 1, 2013 became Plan 2 members on that date.</i></p> |
| 15 | Retirement Payment Options | <p>At retirement, employees choose their payment option. Basic benefit pays you a lifetime monthly benefit; survivor benefit also provides a lifetime monthly benefit to your spouse or contingent annuitant after your death; Partial Lump-Sum Option Payment (PLOP) provides eligible employee option to receive a lump sum payment plus a monthly benefit (you must work 1, 2, or 3 full years after eligible for unreduced retirement); Advance Pension Option allows you to temporarily increase your monthly benefit until receiving Social Security benefits when your VRS benefits will reduce.</p> |
| 16 | Disability Retirement | <p><u>Plan 1 and Plan 2</u> Members who are unable to perform job because of disability that is likely to become permanent may apply to receive a disability retirement benefit. VRS medical staff will determine if the application for disability retirement will be approved. If the Member is vested, the benefit is the higher of the VRS formula amount or the minimum guaranteed benefit. Non-vested member may only apply for the minimum guarantee benefit. The minimum guaranteed benefit ranges from 33 1/3% to 66 2/3% of the Average Final Compensation depending on whether disability is service related and if the member qualifies for Social Security benefits. See VRS website for details.</p> |
| 17 | Death Benefits Before Retirement | <p>Beneficiary may receive a refund of member's contribution account; spouse, minor child, or parent may elect to receive a monthly benefit. If death is work related both lump-sum and monthly benefit may be paid.</p> |

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| 18 | Termination Prior to Retirement | <p><u>Plan 1 and Plan 2</u> Vested members may elect to leave contributions and service in plan and receive a monthly pension benefit at a future date when eligible. Non-vested members may elect to leave contributions and service in plan if anticipate will work for VRS covered employer in future.</p> <p>Terminating members may request a refund of <i>member</i> contributions and interest. <i>Vested members</i> will receive <i>member</i> contributions they paid plus <i>member</i> contributions the City paid plus interest. <i>Non-vested members</i> will receive <i>member</i> contributions they paid plus any <i>member</i> contributions the City paid <i>prior to 7/1/2010</i> plus interest. Members who take a refund of contributions forfeit service credits and future pension benefits.</p> |
| 19 | Cost of Living Adjustment (COLA) | Refer to the VRS web site, www.varetire.org . May be delayed for employees who have less than 20 years of VRS service at time retire and who are applying for an early, reduced retirement. Be sure to view the correct information for your type of member (Plan 1, Plan 2, or Hybrid Retirement Plan). |
| 20 | Purchase of VRS Refunded Service and Other Prior Governmental Service | Refer to the VRS web site, www.vartire.org . Be sure to view the correct information for your type of member (Plan 1, Plan 2, or Hybrid Retirement Plan). There is a short period to purchase prior service from another government employer, or begin purchasing, at a <u>lower rate</u>. |
| 21 | VRS Contact Information | Website: www.varetire.org Customer Contact Center: 1-888-827-3847 8:30 am – 5:00 pm Monday to Friday |

| Supplemental Retirement Plan | | “City Plan” | Contract# 523366-T2 | Administered by Empower |
|------------------------------|----------------------|---|---------------------|-------------------------|
| 1 | Type of Plan | Defined benefit pension plan | | |
| 2 | Eligibility | <p>Regular, full time City employees and regular, part-time City employees who are scheduled to work at least 50% time and who are not covered under the Firefighters & Police Officers Pension Plan are participants.</p> <p>This is a separate plan from the Virginia Retirement System retirement plans. For regular, full-time employees this benefit is in addition to the benefit provided by VRS.</p> <p>For regular, part-time employees working at least 50% time, this is the retirement plan.</p> <p>Deputy Sheriffs, Emergency Medical Technicians, and Fire Marshals have a different summary.</p> | | |
| 3 | Contributions | <p><u>Employees who began participating after 6/30/2009</u> Employees contribute 2% and the City contributes 2.99% in FY 2024. Employees rehired after 6/30/2009 will also contribute 2%.</p> <p><u>Employees participating prior to 7/1/2009</u> City contributes 4.99% in FY 2024. Prior to 7/1/2009, 2% of the City-paid contributions were designated as employee contributions.</p> | | |
| 4 | Unreduced Retirement | At least age 65 and vested or at least age 50 with at least 30 years of Credited Service | | |
| 5 | Reduced Retirement | At least age 55 with at least 5 years of vesting service | | |
| 6 | Vesting Service | Employees accrue one month of vesting service for each full month worked. Employees are vested after accruing 5 years of vesting; however, regular, full-time active employees 60 years of age or older are vested regardless of the amount of service. | | |
| 7 | Credited Service | Full-time employees receive Credited Service for each month the City and/or employee makes a contribution. Part-time employees accrue Credited Service on a pro-rata basis determined by scheduled work hours. | | |

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| 8 | Benefit Formula | <p><u>Service earned after 12/31/1987</u> 0.8% multiplied by Average Earnings multiplied by years of Credited Service earned after 12/31/1987,</p> <p><u>Plus, for service earned before 1/1/1988</u> The sum of (b)(1) and (b)(2) increased by (c). <u>(b)(1)</u>: 1.625% of Past Service Compensation up to \$100 plus 0.25% of Past Service Compensation in excess of \$100, multiplied by Years of Credited Service earned after 7/31/1960 but prior to 8/1/1970 PLUS <u>(b)(2)</u>: 1.625% of Participant's Average Earnings up to \$100 plus 0.25% of the Participants' Average Earnings in excess of \$100, multiplied by Years of Credited Service earned after 7/31/1970, but prior to 1/1/1988 <u>(c)</u>: increased by 50%</p> |
| 9 | Average Earnings | Highest average monthly earnings (excluding overtime, shift differential, bonuses, etc.) over any 36 consecutive full calendar months of Credited Service during the 180 full calendar month preceding retirement or termination |
| 10 | Retirement Payout Options | At retirement, employees choose their payment option. Options include life annuity, various life annuity and survivor/contingent annuitant options, lump-sum option |
| 11 | Termination Prior to Retirement | Terminating employees may receive a lump-sum distribution of the employee contributions that they paid plus any employee contributions that the City paid prior to 7/1/2009. Taking a payment will result in a forfeiture of service credits and any benefits payable at a future date. Vested employee may leave contributions and service credits in account and receive a monthly pension at a future date when eligible for retirement. |
| 12 | Cost of Living Adjustment (COLA) | Plan does not have a COLA provision |
| 13 | Death Benefits | Beneficiary receives a refund of any employee contributions plus applicable interest |
| 14 | Prior Service Buy-back | Not permitted |
| 15 | Disability Retirement | An active vested employee who is awarded Social Security disability benefits may be eligible to receive a benefit five months after disability onset. The amount of the benefit is the same as the unreduced retirement benefit computed using the formula on the date of the member's disability. <i>Employees who retired under the Fire and Police Pension Plan with a disability retirement are not eligible to receive a disability benefit from this plan.</i> |
| 16 | Empower Contact Information | <p>Website: www.empowermyretirement.com Toll Free Access 1-800-338-4015 Call Center available 8 a.m. – 9 p.m. ET Monday – Friday</p> <p>Please contact the City Finance Department Pension Administration Division staff for questions on Supplemental Retirement Plan benefits and eligibility.</p> |

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Supplemental Retirement Plan Board

The primary purpose of the Pension Board is to manage the investment of the Plan assets. The Board may also recommend benefit changes to the City Manager which the City Manager may recommend to City Council to adopt.

The Board is made up of management representatives and employees representing each of the following groups of employees: General Service Employees, Deputy Sheriffs, and Medics and Fire Marshals. The names of the Employee Representatives are shown on the Pension webpage. Look under Supplemental Retirement Plan and Supplemental Retirement Plan Board.

FORFEITURE OF RIGHT TO RETIREMENT BENEFITS

In the event of the Participant's felony conviction or plea of guilty or nolo contendere to a felony crime that arose out of the performance of his or her duties for the City, the Participant shall forfeit and cease to have any right to receive his or her Accrued Benefit (or any other benefit under the Plan except the Employee Retirement Contributions which shall be refunded to the Participant without interest).

| City of Alexandria 457 Deferred Compensation Plan <i>Different plan than VRS Hybrid 457 Plan</i> | | Employer Plan Number 300832 | Administered by MissionSquare |
|---|-----------------------------------|---|-------------------------------|
| 1 | Type of Plan | Deferred compensation plan | |
| 2 | Eligibility | Permanent, full employees and permanent part-time employees scheduled to work at least 50% time | |
| 3 | Contributions | <p>Voluntary plan; employees make pre-tax, payroll-deducted contributions. Maximum annual deferral limit set by IRS each year. Minimum contribution per period is \$10.</p> <p>The normal contribution limit is \$23,000 in 2024. Employees age 50 or older may contribute up to an additional \$7,500 for a total of \$30,500. Employees taking advantage of the special pre-retirement catch-up may be eligible to contribute up to double the normal limit, for a total of \$46,000.</p> <p>Pre-Retirement catch-up provision allows eligible participants to contribute greater amounts within three years of their full retirement date in the City sponsored primary pension plan.</p> | |
| 4 | Vesting | 100% immediate vesting | |
| 5 | Distributions | After separation from service employees have a variety of withdrawal options. Required minimum distributions must begin the later of April 1 following the year after the employee turns 72 years old or after the employee leaves City employment. All withdrawals are subject to federal and state taxes. | |
| 6 | In-service Distribution. | Loans with some restrictions; withdrawals for unforeseeable emergencies subject to IRS rules | |
| 7 | Death Benefits | Beneficiary has option of receiving installment payments, deferred payments, or lump sum payment; spouses may roll over to an IRA or an employer's retirement plan | |
| 8 | Request an Enrollment Kit | Email Retirement@alexandriava.gov or call the Pension Administration Division at 703.746.3906. | |
| 9 | MissionSquare Contact Information | <p>Website: www.missionsq.org MissionSquare Plan Services: 1.800.669.7400 8 a.m.-9:00 p.m. ET Mon.-Fri. MissionSquare Representatives: Shantel Washington 202.759.7172 or email swashington@missionsq.org Antoinette Guy-Wharton 1.800.283.1762 or email aguy-wharton@missionsq.org.</p> <p>You can schedule an appointment with Ms. Washington or Ms. Guy-Wharton to discuss the plan including enrolling and the investing.</p> | |

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| Payroll Deduction Roth IRA | | Plan Number 705691 | Administered by MissionSquare |
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| 1 | Type Plan | Individual retirement savings plan with Mission Square; not a City sponsored retirement plan. | |
| 2 | Eligibility | Regular, full-time and regular part-time employees scheduled to work at least 50% time | |
| 3 | Contributions | <p>Voluntary plan; employees make post-tax, payroll-deducted contributions. Maximum annual deferral limit set by IRS each year.</p> <p>The normal contribution limit is \$7,000. Employees age 50 or older are eligible to contribute an additional \$1,000 for a total of \$8,000.</p> | |
| 4 | Maximum Contribution Limit | In general, the maximum contribution limit is \$7,000 per calendar year (\$8,000 if 50 or older); however, each person has a maximum contribution limit that is determined by their modified adjusted gross income, annual limit, and age; also may be limited by amount contribute to a Traditional IRA during the calendar year. | |
| 5 | Withdrawals | After-tax contributions may be withdrawn at any time. Earnings withdrawn before you are 59 ½ years old and prior to being held in the account at least five years may be subject to a 10% early distribution penalty tax. Contact MissionSquare for more details on withdrawals and penalty-free withdrawals. | |
| 6 | Request an Enrollment Kit | Email Retirement@alexandriava.gov or call the Pension Administration Division at 703.746.3906 | |
| 7 | MissionSquare Contact Information | <p>Website: www.missionsq.org MissionSquare Plan Services: 1.800.669.7400 8 a.m.-9:00 p.m. ET Mon.-Fri. MissionSquare Representatives: Shantel Washington 202.759.7172 or email swashington@missionsq.org Antoinette Guy-Wharton 1.800.283.1762 or email aguy-wharton@missionsq.org.</p> <p>You can schedule an appointment with Ms. Washington or Ms. Guy-Wharton to discuss the plan including enrolling and the investing.</p> | |

Other City Benefits Administered by the Human Resources Department Benefits Division

The Human Resources Department administers all other benefits provided by the City. Visit the Human Resources web site to learn more about these benefits including health, life, vision and dental insurance; long term care insurance; annual, sick, and holiday leave; employee disability benefits; employee assistance; and flexible spending accounts. You may also speak to a member of the Human Resources Employee Benefits staff.