



# RETIREMENT BENEFIT PLANS SUMMARY FOR CITY COUNCIL MEMBERS

Administered by the Finance Department Pension Administration Division

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<p>Intranet for employees - <b>AlexNet</b> (Departments/Finance/Pension Administration Division); and 2) City website - <b><a href="http://alexandriava.gov/retirement">alexandriava.gov/retirement</a></b></p> <p>Web sites have plan information, including plan documents, for all of the City retirement and 457 Deferred Compensation Plans.</p> <p>Pre-recorded retirement related information: <b>703.746.3906</b></p>					

This document summarizes retirement plans that City Council Members 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. City of Alexandria Supplemental Retirement Plan – **mandatory for regular, full-time and regular, part-time employees**
2. City of Alexandria 457(b) / 457 Roth Deferred Compensation Plan – **voluntary plan**, payroll-deducted pre-tax / post-tax retirement savings
3. Payroll Deduct Roth IRA with Mission Square – **voluntary plan**, payroll-deducted after-tax retirement savings

Supplemental Retirement Plan      “City Plan”      Contract# 523366-T2      Recordkeeping Administrator is Empower		
1	Type of Plan	Defined benefit pension plan
2	Eligibility	You are eligible for this benefit if you are a regular, full-time employee or a regular, part-time employee scheduled to work at least 50% time and you are not covered under the Firefighters & Police Officers Pension Plan.
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 6/30/2009</u>  City contributes 4.99%. Prior to 6/30/2009, the City designated 2% of the contributions as employee contributions.</p>
4	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 amount of service.
5	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 <b>scheduled</b> work hours.
6	Retirement - Unreduced	At least age 65 and vested or at least age 50 with at least 30 years of Credited Service
7	Retirement - Reduced	At least age 55 with at least 5 years of vesting service
8	Benefit Formula	<p>The formula to calculate a retirement benefit is:</p> <ul style="list-style-type: none"> <li>• 0.8% of Average Earnings multiplied by years of Credited Service earned after 12/31/1987; plus</li> <li>• If you were covered prior to January 1, 1988, the Past Service benefit as determined by the plan.</li> </ul>
9	Average Earnings	Average Earnings are the average monthly earnings (excluding overtime, shift differential, bonuses, and other special pay) over any 36 consecutive full calendar months of Credited Service during the 180 full calendar months preceding retirement or termination that produces the highest average.
10	Retirement Payment Options	You may choose one of the following payment options for your retirement benefit:

*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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		<ul style="list-style-type: none"> <li>• The <b>Life Annuity</b> provides a monthly benefit for your lifetime. No additional benefits are payable at your death.</li> <li>• The <b>Modified Cash Refund</b> provides a monthly benefit for your lifetime. A lump-sum benefit is payable to your beneficiary if the sum of the monthly benefits paid to you does not exceed the total employee contributions made by the City and/or the employee plus the interest earned while you were employed by the City. The value of the lump-sum payment is zero once the sum of monthly benefits paid equals or exceeds the value of employee contributions plus interest.</li> <li>• The <b>Joint and Survivor Option</b> pays you a monthly benefit for your lifetime and at your death, begins paying a monthly benefit to your beneficiary for the rest of his/her life. You may choose a 50%, 66 2/3%, or 100% survivor option.</li> <li>• The <b>Life Annuity and Years Certain</b> pays you a monthly benefit for your lifetime. If you die before the designated Years Certain, your beneficiary will receive monthly payments for the rest of the Years Certain period. No further death benefits are payable if you live beyond the Years Certain period.</li> </ul>
11	Termination Prior to Retirement	Terminating employees may receive a refund 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	Should you die before retirement, your beneficiary will receive a refund equal to the Employee Contributions that the City and/or the employee have paid into the plan plus interest earned.
14	Prior Service Purchase	This plan does not have a provision that allows purchase of prior service credits.
15	Disability Retirement	An active vested employee who is eligible for Social Security disability benefits is eligible to receive a disability benefit. 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. Contact the Pension Division to discuss this benefit.
16	Empower Contact Information	<p>Website: <a href="http://www.empowermyretirement.com">www.empowermyretirement.com</a>  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>

## **IMPORTANT**

***Contact Pension if City Supplemental Retirement Plan (SUP RET 2%) 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.***

## **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).

<b>City of Alexandria 457(b) / 457 Roth Deferred Compensation Plan      Employer Plan Number 300832      Administered by MissionSquare</b> <i>Different plan than VRS Hybrid 457 Plan</i>		
1	Type of Plan	Deferred Compensation Plan
2	Eligibility	Permanent, full-time employees and permanent part-time employees scheduled to work at least 50% time.
3	Contributions	<p>Voluntary plan; For the <b>457(b)</b> employees make <b>pre-tax</b>, payroll-deducted contributions.</p> <p>For the <b>457 Roth</b>, employees make <b>post-tax</b>, payroll-deducted contributions. 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.</p> <p>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 Distributions	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	MissionSquare Contact	<p>Website: <a href="http://www.missionsq.org">www.missionsq.org</a>      MissionSquare Plan Services: 1.800.669.7400 8 a.m.-9:00 p.m. ET Mon.-Fri.</p> <p>MissionSquare Representatives: Shantel Washington 202.759.7172 or email <a href="mailto:swashington@missionsq.org">swashington@missionsq.org</a></p> <p>Antoinette Guy-Wharton 1.800.283.1762 or email <a href="mailto:aguy-wharton@missionsq.org">aguy-wharton@missionsq.org</a></p> <p>You can schedule an appointment with Ms. Washington or Ms. Guy-Wharton to discuss the plan including enrolling and the investing.</p>

Payroll Deduction Roth IRA		Plan Number 705691	Administered by MissionSquare
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 <b>post-tax</b>, 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 or see the Vantagepoint Payroll Deduction IRA Enrollment Package for more details on withdrawals and penalty-free withdrawals.	
6	MissionSquare Contact	<p>Website: <a href="http://www.missionsq.org">www.missionsq.org</a> MissionSquare Plan Services: 1.800.669.7400 8:30 a.m.-9:00 p.m. ET Mon.-Fri.  MissionSquare Representatives: Shantel Washington 202.759.7172 or email <a href="mailto:swashington@missionsq.org">swashington@missionsq.org</a>  Antoinette Guy-Wharton 1.800.283.1762 or email <a href="mailto:aguy-wharton@missionsq.org">aguy-wharton@missionsq.org</a></p> <p>You can schedule an appointment with Ms. Washington or Ms. Guy-Wharton to discuss the plan including enrolling and the investing</p>	