



Newport News Employees' Retirement Fund

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Frequently Asked Questions

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This document is meant to provide general information regarding retirement benefits as set forth in Chapter 31 of the City of Newport News Code. Retirement benefits are complex and vary by individual. Chapter 31 is amended from time to time and the state of Chapter 31 at the time of your retirement will be applicable. Before making any decisions regarding your retirement please consult Chapter 31 and the Finance Department.

About the Newport News Employees' Retirement Fund (NNERF)

1. What type of retirement plan is the Newport News Employees' Retirement Fund (NNERF)?

NNERF is a defined benefit plan. This means that your benefit at the time of retirement is based on a formula which takes into account your years of service with the City and your salary history.

2. How do I know if I'm a member of the Newport News Employees' Retirement Fund (NNERF)?

Generally, regular full-time employees of the City of Newport News who were hired before March 1, 2010 and full-time employees of Newport News Public Schools who were hired before July 1, 2009 are members of NNERF.

3. Is there an employee contribution requirement?

Yes. Starting January 1, 2013 all employees that are members of NNERF are required to pay member contributions in the amount of five (5) percent of their compensation.

4. What types of retirement benefits does NNERF offer?

A. Service Retirement

- a. Regular Retirement – Lifetime annuity
- b. Early Retirement – Reduced lifetime annuity
- c. VRS Supplemental Retirement (NNPS employees only) – Supplemental lifetime annuity
- d. Lump Sum Payout – One time payout in lieu of lifetime annuity

- B. **Disability Retirement** – Active members who become partially or totally disabled may be eligible for a disability retirement allowance. Contact the Finance Department for more information.

5. When am I eligible to retire?

Generally, a member must be vested (have at least five (5) years of credited service in NNERF) and meet certain age criteria in order to be eligible for retirement.

Public Safety:

25 Years of credited service for sworn fire, police, or sheriff at any age OR
5 years credited service and age 50 for sworn fire, police and sheriff members.

Other Employees:

30 years credited service at any age OR
5 years credited service and age 60

6. Can I retire early?

Yes, general employees with at least twenty-five (25) years of service may retire early with a reduced retirement benefit. The penalty for retiring early is 0.5% per month for each month your retirement precedes your eligibility for regular retirement.

7. If I die while in active service, is there a death benefit payable?

Yes, your spouse, or beneficiary if you are not married, will receive a death benefit of \$3,300.00. Additional benefits may be available for your spouse or children. Please contact the Finance Department for more information.

8. I am no longer working for the City of Newport News or Newport News Public Schools. Can I still receive a retirement benefit?

Vested members (who have at least five (5) years of credited service) can begin receiving retirement benefits when they reach age 60 (age 50 for sworn fire, police and sheriff members). **A retirement application must be received in the Finance office prior to the retirement date in order for benefits to begin.** If the application is not received, retirement will begin on the 1st of the month following receipt of the application by the Finance Department.

Ready to Retire?

9. How is my retirement benefit calculated?

Retirement benefits are based on your years of service and average final compensation (AFC), which is the average annual compensation paid to you during your 36 highest paid consecutive months of service.

For normal service retirement, your AFC will be multiplied by the multiplier below and your years of service to determine an annual benefit.

Prior to March 1, 2010	AFC x 2.00% = benefit/year of service
March 1, 2010- December 31, 2012	AFC x 1.85% = benefit/year of service
January 1, 2013 to Present <i>*General Employees*</i>	AFC x 1.65% =benefit/year of service

10. How can I receive an estimate of my benefit?

The calculator linked below can be used to estimate your service retirement benefit:

<https://portal.nngov.com/forms/Lists/Retirement%20Calculator/MyEstimates.aspx>

You may also request an estimate of your service retirement or other benefits by emailing retirement@nnva.gov or calling (757) 926-3929. An estimate will be generated and provided to you within approximately one week. Estimates may be requested at any time, but will be more accurate close to your retirement date.

11. How do I apply for retirement?

Once you have decided on a retirement date, contact the Finance Department at retirement@nnva.gov or (757) 926-3929. A retirement appointment will be scheduled for you to meet with a representative prior to your retirement date. Appointments are generally scheduled during the month prior to your retirement in order to provide the most accurate information possible. During your appointment, you will be able to see how your retirement was calculated, ask any questions you may have, and complete the retirement application.

12. What happens to my PPL and PML balance when I retire?

PML will be converted to service credit. For each 160 hours of PML, you will receive one month of service credit (342 hours of PML for 24-hour Fire employees).

For PPL, you will be given the option to convert your leave to service credit at an actuarially determined rate, receive a cash payout, or transfer the value to your ICMA or HSA account. You may wish to consult with a tax advisor prior to your retirement appointment to determine the tax implications of your selection.

13. Will I lose my health and dental insurance once I retire under NNERF?

No, if you currently have health insurance through the City you are eligible to continue your coverage after retirement. The City's contribution towards your premiums will be based on your years of credited service at retirement. Please visit our website to see current rates for retiree insurance plans.

Please note if you do not elect insurance at retirement, or decide to drop insurance coverage during retirement, you will not be able to rejoin the plan.

14. How will my life insurance be handled once I retire?

At retirement, you will initially have life insurance coverage equal to 1/2 your salary. This coverage will then decrease 20% per year. Coverage will not be reduced below \$10,000. Life insurance is offered at no cost to the retiree.

15. What happens to my ICMA account?

After retirement, you may begin withdrawing funds from your ICMA account, roll over your account balance to another qualifying retirement account, or leave your funds in the account for withdrawal or roll over at a later date. You may wish to consult with a tax advisor prior to executing a roll over or withdrawal as these may have tax implications.

16. When will I receive my first retirement benefit?

Benefits are paid monthly on the last business day of the month following receipt of a completed, accepted application.

Already Retired?

17. When do I get cost of living increases? How much will I get?

A cost of living adjustment (COLA) is made on July 1 of each year. You must have been retired for at least one year to receive the COLA.

The amount of the COLA is calculated using a formula based on the US Average Consumer Price Index (CPI).

18. How do I update my direct deposit information, address, or beneficiaries?

Visit www.nnva.gov/retirement to download forms for updating your information and return the completed forms to the Finance Department, or contact us at retirement@nnva.gov or (757) 926-3929 for assistance.

19. How can I get a verification of my pension income?

Contact the Finance Department at retirement@nnva.gov or (757) 926-3929 to request an income verification letter.

20. How do I cancel or remove someone from my insurance?

Download a Termination of Benefits form from our website www.nnva.gov/retirement and return the completed and signed form to the Finance Department. Please note there is no reinstatement of coverage once changed or cancelled. If you have questions, contact us at retirement@nnva.gov or (757) 926-3929.

21. What happens to my pension when I die?

Your monthly pension benefit stops when you die. Generally, a death benefit in the amount of \$3,300.00 is payable to your surviving spouse or beneficiary, and your life insurance will be paid to your beneficiary.

Additionally, the spouse of a deceased retiree is entitled to a 50% monthly spousal annuity. The spousal annuity benefit is automatic and does not require a special election.

Be sure to keep your beneficiaries up to date and have your spouse or beneficiary contact the Finance Department as soon as possible after your death to avoid overpayments and receive any benefits due.

22. Can my spouse continue insurance coverage through NNERF after I die?

Yes, if your spouse is currently covered by a NNERF health or dental insurance plan, he/she may continue the coverage after your death.

Still Need Help?

If you still have questions, we are here to help. Email us at retirement@nnva.gov, call us at (757) 926-3929, or drop by the Finance Office on the 7th Floor of City Hall.