

NEWPORT NEWS EMPLOYEES' RETIREMENT FUND (NNERF)

Newport News Public Schools
VRS Members
(NNERF Supplement)



Agenda

- NNERF retirement eligibility and benefits
- What to do if you are thinking about retirement
- What happens after retirement
- How to contact the NNERF Retirement Division



What is NNERF and who is eligible?

- NNERF is a defined benefit plan for City of Newport News and Newport News Public Schools employees
- Full-time NNPS employees hired before July 1, 2009 are members of NNERF
 - Members who are not enrolled in VRS (generally Child Nutrition, Custodial, Plant Services & Transportation employees) receive a full retirement from NNERF*
 - Members who are also enrolled in VRS receive a supplement from NNERF

*See Non-VRS presentation for plan provisions



What is a NNERF Supplement?

- A small monthly retirement benefit paid by NNERF to NNPS employees who receive their primary retirement through VRS



- Plan membership was closed on July 1, 2009
- Amount of supplement for all members was “frozen” on January 1, 2013
 - Members must have at least 5 years of service in NNERF prior to this date to be eligible for the supplement

When can I receive the NNERF supplement?

- 30 years credited service under NNERF
- 5 years service under NNERF and age 60
- Reduced benefit at 25 years service (prior to age 60)
- Penalty of $\frac{1}{2}\%$ per month for each month away from 60 or 30 years service
- *No additional credited service or benefits accrue after January 1, 2013.*



How much will I get?

- AFC (Average Final Compensation)
Highest 36 consecutive months of pay

- Multiplier

0.3% before 3/1/2010

0.15% 3/1/2010 thru 12/31/2012

- Length of Service

- Supplement was “frozen” January 1, 2013

- Average final compensation based on pay prior to January 1, 2013
- No additional credited service or benefits after January 1, 2013



Average Final Compensation

- The highest 36 consecutive months of pay
- Determined using VRS compensation records
- Based on pay prior to January 1, 2013



Sample Retirement Calculation

Determine highest consecutive 36 months of pay and calculate Average Final Compensation (AFC):

Period	Salary
January 1, 2010 to December 31, 2010	\$48,000
January 1, 2011 to December 31, 2011	\$50,000
January 1, 2012 to December 31, 2012	\$52,000
Total (Highest 36 Consecutive Months)	\$150,000
	÷ 3 years
Average Final Compensation (AFC)	\$50,000

Determine years of credited service for each period and calculate annual benefit:

Period	AFC	x Number of Years of Credited Service	x Multiplier (VRS Supplement)	= Annual Benefit
Prior to March 1, 2010	\$50,000	10 years	0.3%	\$1,500.00
From March 1, 2010 to December 31, 2012	\$50,000	2 years, 10 months (2 + 10/12 = 2.833 years)	0.15%	\$212.48
			Total Annual Benefit	\$1,712.48
			Monthly Benefit	\$142.71



Death Benefit & Spousal Annuity

- Upon the death of a retiree, a death benefit of \$3,300 is paid directly from NNERF to spouse or beneficiary
- Spouse is eligible to receive an annuity equal to one-half of the deceased retiree's annuity, until death or remarriage
- The spousal annuity benefit is automatic and does not require a special election



Lump Sum Payout Option

- One-time payment in lieu of monthly benefit
- Based on the actuarial value of benefit
- Available only if monthly allowance is \$150 or less

Monthly Annuity For Life

\$68.43

*Upon Death:
Death Benefit*

\$3,300

*50% Spousal Annuity Benefit
Until Death or Remarriage*

\$34.22

OR

**One-Time Lump Sum
Payment**

\$10,274



Lump Sum Option

- Lump sum payments may be paid directly to you or rolled over to an eligible retirement plan (401(k), 457, 403(b), IRA)
- Once retirement application and records are received, NNERF will contact eligible members to provide the lump sum amount and election form. Forms must be returned or the monthly annuity option will be elected automatically.
- Election of lump sum or monthly annuity is irrevocable. If elected, the lump sum payment is in lieu of any benefits that the member, their surviving spouse, their surviving dependent(s), and/or any other beneficiary would otherwise be eligible to receive

Thinking about retiring

- School employees should contact NNPS Human Resources to schedule an appointment for retirement
- NNPS Benefits Staff will provide an estimate of NNERF benefits and assist with completing retirement paperwork
- Your application and records will be forwarded to NNERF for processing



After Retirement

- The first pension deposit will occur within 90 days of application / retirement date
- Retirees are paid once a month on the last business day of the month.
- Update your mailing address if you move
- Keep beneficiaries updated



What happens if I leave before NNERF retirement eligibility?

- Vested retirement eligible based on age
 - 60 years old for NNPS employees
- Must apply for retirement benefits through City of Newport News
- Retirement will be effective the first day of the month following receipt of a completed application
- Death benefit is effective once you begin receiving annuity payments



City of Newport News
Finance Department - Retirement Division
2400 Washington Avenue; 7th Floor
Newport News, VA 23607

757-926-3929

retirement@nnva.gov

www.nnva.gov/retirement

