

Albemarle County

Voluntary Early Retirement Program Proposed Changes

Frequently Asked Questions

What is VERIP?

The Voluntary Early Retirement Incentive Program (VERIP) is designed for employees who have already met VRS retirement eligibility standards, but are not yet 65. It gives these employees an “early” retirement option. VERIP provides two kinds of benefits, both payable on a monthly basis for 5 years or until age 65, whichever comes first:

- 1) Contribution equivalent to the Board medical contribution given to active full-time employees; and
- 2) A stipend based on the difference between the estimated VRS benefit the employee would receive by retiring “early” and the benefit the employee would receive with 5 additional years of service.

What changes are now being proposed?

As was foreshadowed during the budget process for 2009-2010, a gradual phase-out of the VERIP stipend is being considered by the School Board and Board of Supervisors. The VERIP stipend is a monthly payment that is paid in addition to the medical component of VERIP. It is based on calculating the VRS benefit if an employee retires on a particular date, then calculating that benefit again with 5 additional years of service (or the number of years remaining before the retiree turns 65, whichever is less). The difference between those two figures is the VERIP stipend amount. The proposed changes are to calculate the VERIP benefit based on the following schedule.

2010/2011	No change - VERIP stipend remains 100%
2011/2012	No change - VERIP stipend remains 100%
2012/2013	VERIP stipend amount is calculated at 80%
2013/2014	VERIP stipend amount is calculated at 60%
2014/2015	VERIP stipend amount is calculated at 40%
2015/2016	VERIP stipend amount is calculated at 20%

How will the reduction schedule work if I retire in 2012?

For those retiring under the VERIP reduction schedule, benefits will be calculated normally, and then the appropriate reduction would be applied. For example, if a monthly VERIP stipend was calculated to be \$450/month for a July 2012 retirement date, there would be a 20% reduction (\$90); this would result in a final VERIP monthly benefit of \$360.

Will the VERIP benefit be replaced with any other program?

There are no plans to replace the VERIP stipend with alternate programs at this time.

Have the VERIP eligibility standards changed?

VERIP eligibility standards have not changed. Please see above for these requirements.

Will my medical benefits as a retiree change if I retire under VERIP this year?

No changes to the medical contribution portion of the VERIP program are being proposed at this time.

What happens if I retire under VERIP this year, interrupt my benefit with a return to work, and then retire later?

Employees who retire, return to work (thus interrupting their VERIP benefits) and then re-retire, will resume benefits based on those under which they originally retired.

If I retire this year, will my VERIP stipend reduce in the future?

No; VERIP stipends, once calculated, do not reduce. Cost of living increases are applied annually (in July) that match VRS's cost of living increase for that year.

Whom should I call if I have questions?

Local Government/School Support Staff:

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