

# Planning for Your ERFC Retirement

*Within the ERFC 2001 Plan*



THE EDUCATIONAL EMPLOYEES'  
SUPPLEMENTARY RETIREMENT SYSTEM  
*of Fairfax County*

## It's a Matter of Income vs Expenses

As you are preparing for retirement within the 2001 Plan, you should examine your financial goals, reduce your debt, and adjust your savings and other investments to meet your goals. If necessary, obtain the financial and legal advice you may need to plan your estate.

As an ERFC member, you have at least three sources of retirement income with which to plan your future. Upon reaching eligibility, you will receive benefits from the Virginia Retirement System (VRS) and Social Security, plus the supplemental benefit provided by ERFC. You also may be planning to supplement your retirement income through personal savings or contributions to IRAs and defined contribution plans, such as FCPS' 403(b) and 457(b) plan offerings. Only you can project what it will cost to fully enjoy the lifestyle you envision for your retirement.

### The 2001 Plan

You are enrolled in the *ERFC 2001* plan because you were hired on or after July 1, 2001.

### When you're eligible to retire

*ERFC 2001* members are fully "vested" or eligible to receive a retirement benefit after 5 years in eligible FCPS employment. You are eligible to retire at any age with 30 years of service or at age 60 with a minimum of 5 years of service.

You may retire at any time during the year, but your effective retirement date is always the first day of the month.

Because ERFC was created to supplement your retirement benefits from VRS and Social Security, any consideration of retirement should weigh the impact of these benefits, as well.

### Estimating Your ERFC Benefit

Your ERFC 2001 benefit is based on your final average compensation over three consecutive years, times your years of credited service times a multiplier. This formula equals your basic benefit in retirement.

ERFC provides an annual cost-of-living adjustment (COLA) to you each March 31 after the calendar year in which you retire. The first COLA paid after retirement equals 1.49 percent of your ERFC benefit payment. Thereafter, a minimum 3% COLA will be factored into the ERFC benefit annually on March 31.

## Benefit Estimates

When you are within five years of retirement eligibility, ERFC will prepare up to three benefit estimates at your request. Audited benefit estimates may only be requested every 12 months and can be requested through ERFC Direct, the secure online service that provides you direct and secure access to your ERFC benefit information. Access ERFC Direct at: <https://erfcdirect.fcps.edu/wmswebsite>.

## Choosing Your ERFC 2001 Benefit Payment Options

### Basic Benefit

When you select your *ERFC 2001* Benefit Payment Options you are selecting the way you receive your payments. The **Basic Benefit** Option pays you a level lifetime benefit and ends upon your death. If you die after retirement, your survivor or the estate will receive a refund of your accumulated contributions and interest, minus any benefits already paid to you.

If you want to provide a continuing benefit to your survivor after your death, you may elect one of three survivor options that will provide a reduced benefit to you during your lifetime and a benefit for your survivor after your death.



### Survivor Payment—Options A, B, and C.

ERFC survivor options include:

- **100 Percent Survivor Option—Option A**

With this option, you will receive a monthly benefit that is actuarially reduced from the benefit that you otherwise would receive, based on your age and the age of your nominated beneficiary. Upon your death, the reduced monthly benefit will continue for your nominated beneficiary for the remainder of his or her lifetime.

**Option A** requires that the nominated beneficiary must be your spouse or former spouse.

- **50 Percent Survivor Option—Option B**

With this option, you will receive a monthly benefit that is actuarially reduced from the benefit that you

otherwise would receive, based on your age and the age of your nominated beneficiary.

Upon your death, your nominated beneficiary will receive half of the reduced monthly benefit for the remainder of his or her lifetime.

**Option B** requires that the nominated beneficiary must be your spouse, former spouse, another person 40 years of age or older who has received more than one-half support from you for at least one year prior to your retirement, or a dependent child who is physically or mentally incompetent.

- **120 Payments Certain Option—*Option C***

With this option, you will receive 96 percent of your monthly benefit. If you die before receiving 120 monthly pension payments

(10 years) after retirement, your nominated beneficiary will receive the remaining monthly payments until the end of the 120-month period. Benefits will cease to your nominated beneficiary at the end of the 120-month period.

If you live beyond the 120-month period, you will continue to receive the benefit for life. When you die, benefit payments will stop.

- ***Small Pension Payout***

If your Basic Benefit pension is \$100 or less a month, you will receive a one-time payment that is the actuarial equivalent of the total benefit to which you are entitled. Otherwise, your ERFC retirement check will be directly deposited into your account on the last day of each month.



# Retirement Planning Milestones

## 5 years Before Your Projected Retirement Date

### 1. *Estimate Your Benefits.*

When you are within five years of your intended retirement date, it is time to seriously gauge how well your retirement plan benefits and personal savings align with your projected plans. Estimate your ERFC retirement benefits conveniently on ERFC Direct at <https://erfcdirect.fcps.edu/wmswebsite>. You may request an audited estimate if you have not received one in the last 12 months

### 2. *Attend a Pre-Retirement Seminar or Webinar.*

ERFC hosts many retirement information sessions:

- Pre-Retirement Seminar—for all FCPS employees annually during the school semester break in January. Check the ERFC website for date and location. Pre-Registration is required.
- Retirement Readiness Workshop in March. Employees meeting the criteria will be notified via email with date and location.
- ERFC Legacy and 2001 Plan Webinars—available online and through the ERFC website.
- We are also on Facebook under ERFC where we list workshop information and update you on the latest retirement trends.

## 2 Years Before Your Projected Retirement Date

### 1. *Attend a Pre-Retirement Workshop.*

Throughout each school year, ERFC hosts pre-retirement workshops, designed specifically for members who are within two years of retirement. Watch for schedules and locations in all ERFC Publications or on the ERFC website. Workshop schedules are also available on our Facebook page under ERFC.

### 2. *Meet with an ERFC Retirement Counselor and/or Financial Advisor/Tax Specialist.*

ERFC retirement counselors are available year-round for personal benefit consultations. For an appointment, call 703-426-3900 after you have received your audited estimate. ERFC retirement counselors can assist you with aspects of both your ERFC and VRS benefit plans, but for any issues regarding your personal savings or investments, including 403(b) or 457 Plans, you are advised to seek separate professional advice from a financial planner or tax specialist.



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## 12–18 Months Before Retirement

### 1. *Choose a Retirement Date.*

You may retire on the first day of any month during the calendar year.

### 2. *Gather your personal documents.*

When you do officially apply for retirement, you will be asked to provide ERFC a variety of personal documents, including:

- A documented proof of birth (*certified copy of your birth certificate preferred*);
- Your Nominated Beneficiary's birth certificate and Social Security card (*applicable only if you choose a survivor benefit payment option*);
- A certified copy of your marriage certificate (*applicable only if you choose a survivor benefit payment option, and your Nominated Beneficiary is your spouse or former spouse*).

## 4–9 Months Before Retirement

### 1. *Make it official—submit the HR-2 Form.*

The *Notification of Resignation/Retirement* form is available at all schools and work locations. Submit your completed HR-2 form directly to the ERFC office to officially begin your retirement process. Upon receipt, ERFC will also forward a copy of your completed HR-2 to the FCPS Department of Human Resources.

### 2. *Complete the ERFC 2001/VRS Forms.*

Upon receiving your completed HR-2 form, ERFC will send a retirement benefit packet to you at your home address. You should complete the benefit application forms provided, and return them to ERFC at least 90 days prior to the effective date of your retirement.

### 3. *Meet with an ERFC Retirement Counselor.*

Prior to your retirement, it is a good idea to meet with an ERFC retirement counselor. If possible, you are also encouraged to bring your spouse or a friend with you to the meeting. The retirement counselor can answer your individual questions, and will check to ensure that all of your paperwork is completed properly. ERFC counselors are also prepared to answer general questions about benefits, such as medical, dental, and life insurance.

### 4. *Review Your Available FCPS Insurance Benefits.*

The FCPS Office of Benefit Services provides materials detailing important information about medical and dental insurance, the health insurance subsidy, sick leave, annual leave, and other benefit issues, which are also discussed during the ERFC pre-retirement workshops. You can review this information online at the FCPS benefits website, [www.fcps.edu/hr/benefits](http://www.fcps.edu/hr/benefits), or contact the benefits office directly at 571-423-3200.



## Secure Online Access for ERFC Members and Retirees

Accessing your individual retirement account information is simple, secure and convenient.

- View monthly payroll history
- Review your personal data
- Access ERFC forms
- Change banking information

...and more



### To Get Started:

Go online to <https://erfcdirect.fcps.edu/wmswebsite> and follow instructions. (you'll also find a link to ERFC Direct on the website at: [www.fcps.edu/erfc](http://www.fcps.edu/erfc))

- Go to First-Time User?  
Register Now!
- Select a username and password that is unique from your other FCPS online accounts.

For more detailed information regarding retirement options please visit the *ERFC 2001 Handbook* at [www.fcps.edu/erfc](http://www.fcps.edu/erfc) and click on "publications"

*Start Planning The Future Now*



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