

PREPARING FOR
DISABILITY RETIREMENT



EMPLOYEES'

This booklet is a summary of information for Fairfax County Employees retiring on an ordinary disability or service-connected disability retirement. You can find more detailed information about these subjects in the Employees' Retirement System Handbook and County Personnel Regulations and Policies. (The Fairfax County Code will govern in the event of any error in this booklet.)

Fairfax County Retirement Systems

12015 Lee Jackson Memorial Highway Suite 350

Fairfax, VA 22033

703-279-8200

1-800-333-1633

fax 703-653-9543

www.fairfaxcounty.gov/retirement/

**This retirement handbook is for members of
Fairfax County Employees' Retirement System
who are pursuing disability retirement benefits**

DISABILITY RETIREMENT – Employees’ Retirement System

I’m Almost Ready To Retire . . .	Is Counseling Available?	2
When Can I Retire?... What Kind of Retirement Will I Be Eligible For?		2
Service-Connected Disability Retirement		2
Ordinary Disability Retirement		3
Optional Spouse’s Benefit		3
Decisions You Must Make at Retirement		4
Other Questions		4
Your First Retirement Payment		5
Direct Deposit		5
Workers’ Compensation		6
Beneficiary and Address Changes		6
Prohibition Regarding Future Employment Activities.....		6
Other Information		6

ADDITIONAL INFORMATION

HR Benefits		7
Deferment of Leave Payoff into Deferred Compensation Plan		7
LiveWell		7
Fitness Center		8
Social Security and Medicare		8
Services for Older Adults and Volunteer Opportunities		9
Retiree Association		9

I'm Almost Ready To Retire . . . Is Retirement Counseling Available? . .

If you have not already received a personalized estimate of your retirement benefits, call the Retirement Systems at 703-279-8200. Employees with additional questions or concerns beyond what is covered in this handbook may choose to schedule an appointment with a retirement counselor.

When Can I Retire? What Kind of Retirement Will I Be Eligible For?

To understand how your benefit is calculated, you need to understand the definition of the following terms:

Final Average Salary (FAS): is the average of the highest consecutive 78 bi-weekly pay periods any time in your career with the County. Leave Without Pay (LWOP) for approved Family and Medical Leave will not affect the calculation of the highest consecutive pay periods.

Service-Connected Disability: an injury or illness that makes it impossible for you to continue to perform the job for which you were hired. The injury or illness must be determined to be job-related.

Ordinary Disability: an injury or illness that makes it impossible for you to continue to perform the job for which you were hired. The injury or illness is determined not to be job-related.

Service-Connected Disability Retirement: A Service-Connected Disability Retirement may be awarded if you are unable to do the job for which you were hired due to a job-related injury or illness, regardless of your length of service. You or your agency may initiate the application process. To be eligible for this benefit you must apply for Workers' Compensation and the System's Board of Trustees (with a recommendation from the Medical Examining Board) must find that you are medically disabled and that the injury or illness was job-related. Your benefit with a service-connected disability retirement is $66\frac{2}{3}$ of your FAS. This benefit is reduced by payments you receive from Workers' Compensation (see note below). In addition, your retirement benefit will be reduced if you have outside earnings so that the total of your retirement benefits and outside earnings do not exceed what you would have earned if you were still working.

Service-Connected Disability retirees must accept medical services, vocational rehabilitation, or other employment under the Workers' Compensation Act or face suspension of their Workers' Compensation benefits. If those benefits are suspended, the Board of Trustees has the option to continue calculating the retirement benefit as though the retiree was still receiving those benefits.

Between the member's disability retirement and age 65, a medical examination is required once a year for the first five years of disability retirement, and once every three years thereafter. Refusal to submit to a medical exam may result in the termination of disability retirement benefits. Disability benefits may start again if the member submits to a medical exam – but only if the member agrees to take the exam within one year of the day he or she was first requested to do so. The Board of Trustees may require the member to apply for positions with Fairfax County or Fairfax County Public Schools for which he or she is qualified. Failure to accept a position offered may result in a reduction or termination of benefits.

When Workers' Compensation benefits have ceased, Service-Connected Disability retirees must undergo periodic medical re-evaluations as required by the System's Board of Trustees. Service-Connected Disability retirees who have not yet reached age 65 (or their normal retirement date) must also send in a copy of their tax returns and W-2 forms each year to verify their outside earnings.

There is also a Service-Connected Accidental Death Benefit payable to your survivor if your death is directly related to your service-connected disability.

Ordinary Disability Retirement: Members of the System with at least five years of service may apply for Ordinary Disability Retirement. The System's Board of Trustees will approve this retirement if it determines (with a recommendation from the Medical Examining Board) that the member is unable to do the job for which he or she was hired, and that the injury or illness was not job-related.

Benefits are calculated as 2% times FAS times the member's service. The total is then increased by 3%. Unused sick leave may be credited as service at the rate of 172 hours of sick leave per month of service for full-time employees (or pro-rated for part-time eligible employees). LWOP does not count as service. If you are a part-time employee, your FAS is annualized (see the Employees' Retirement System handbook or call the Retirement Systems office for more information). Benefits are taxable. Between the member's disability retirement and age 65, a medical examination is required once a year for the first five years of disability retirement, and once every three years thereafter. Refusal to submit to a medical exam may result in the termination of disability retirement benefits. Benefits may start again if the member submits to a medical exam but only if the member agrees to take the exam within one year of the day he or she was first requested to do so. The Board of Trustees may require the member to apply for positions with Fairfax County or Fairfax County Public Schools for which he or she is qualified. Failure to accept a position offered may result in a reduction or termination of benefits. Benefits cease if the member returns to work with Fairfax County before his or her normal retirement date.

Applying for a Disability Retirement

Applications for disability retirements must be made within one year of your termination from Fairfax County. The application forms for disability retirement are included in the Disability Retirement packet, which will be completed by you and by your physician. Once they have been completed and returned and the Medical Exam Unit has made its recommendation, the Board of Trustees will make a determination if you are medically disabled and if the disability was job-related. To appeal a decision of the Board of Trustees, send a request in writing to the Retirement Systems office within 30 days of the Board's decision.

Optional Spouse's Benefit: If you should die before retiring with at least five years of service and you have named your spouse as your beneficiary, your spouse may elect, within 180 days of your death, to receive 50% of the regular service retirement you would be eligible for on the date of your death. This does not include any Pre-Social Security Benefit. If your spouse does not elect this option, then they (or your estate) will receive a refund of your accumulated contributions and interest. Surviving spouses should contact the Retirement Systems office for the necessary application.

Decisions You Must Make at Retirement

When Should I Go? If you are disabled, you may be able to use your annual, sick or injury leave (if available) or compensatory time (if available) until your retirement is approved. However, once you decide to retire, there are several things that you should consider while deciding when in the year you wish your retirement to become effective.

Market Adjustments and Pay Increases: You may wish to wait until after the effective date of a market adjustment or salary increase in order to have your FAS and annual leave/compensatory time payoff calculated at the highest possible salary or choose a date that will provide you with the highest possible prorated first year adjustment on your retirement benefit.

Leave Implications: You may wish to retire before your excess annual leave is converted to sick leave or excess compensatory time is lost in December or, you may choose to wait until after the excess annual leave is converted to sick leave which counts as service.

Tax Implications: You may wish to choose a retirement date that allows your annual leave/compensatory time payoff to be paid after January 1 so that it will not be included as part of your taxable salary for your last year of employment.

Deductions/Taxes: You will have to make decisions about any deductions or, if you are retiring on an Ordinary Disability Retirement, any tax withholding you may wish to have taken from your retirement check.

Deductions: You may request that deductions for County group term life, dental and health insurance premiums. In addition, federal and Virginia state income tax will be withheld at your request. If you are liable for another state's taxes you will have to file estimated tax forms with that state.

Other Questions

Can My Benefits Be Assigned, Attached or Garnished? No, except to the extent permitted by Virginia law for spousal and/or child support or for Internal Revenue Service (IRS) tax levy or Chapter 13 bankruptcy court orders.

Will I Receive Cost-of-Living Adjustments (COLAs) as a Retiree? Yes. Retirees receive COLAs based on the lower of 4% or the Consumer Price Index increase for the Washington, D.C. area each year on July 1. COLAs are pro-rated in your first year of retirement. For Service-Connected Disability retirees, COLAs are paid on the net benefit after offsets (if any) for Workers' Compensation and Social Security.

Are My Benefits Taxed? Service-Connected Disability Retirement benefits are not reported as taxable income, while Ordinary Disability Retirement benefits are generally taxable. Contributions you made prior to January 1, 1985, have already been taxed and are not taxable again. According to IRS regulations, a small portion of these already-taxed contributions will be included in each of your Ordinary Disability Retirement checks. At the end of each year, you will be sent a IRS Form 1099-R showing the taxable and previously taxed benefits paid to you that

year along with the amount of any taxes you have had withheld. Service-Connected Disability retirees do not receive a 1099-R.

What Information Will I Need to Retire?

- A completed retirement application and statement of disability from you and your physician
- Documentation showing you have applied for Workers' Compensation (service connected disability only)
- Birth Certificate or passport as proof of birth for you
- Birth Certificate or passport as proof of birth for your spouse
- Marriage Certificate or Marriage License
- Completed tax withholding forms (if applicable)
- Completed Direct Deposit Form.

What Happens If I Return to Work For Fairfax County After I Retire? Service-Connected Disability Retiree: If you are a Service-Connected Disability retiree and are hired again to a position covered by the Retirement System from which you are retired, your retirement benefits will cease and you will again become a contributing member of the System. In essence, you will “unretire.” When you later retire, you will receive credit for the time when you were retired and your new retirement benefit will be calculated as though you had never left. If you are hired to any other position covered by one of the other Fairfax County Retirement Systems, you will retain your annuity but are barred from joining the new System. In addition, your combined monthly salary and retirement benefits may not exceed 115% of the then current maximum monthly salary for a Deputy County Executive in the County’s Compensation Plan. If you exceed that cap, your retirement benefit will be reduced.

Ordinary Disability Retiree: If you are an Ordinary Disability retiree and are hired to any retirement eligible position by the same appointing authority for which you were employed prior to retirement, your retirement benefits will cease.

Your First Retirement Payment

Retirement benefits are paid once a month on the last business day of the month. Since your first payment will include all retirement benefits earned from your date of retirement, it is often larger than subsequent payments. For instance, if you retire September 10, you will receive your first retirement payment the last working day of October. The payment, however, will include your retirement annuity for October and the portion of September after you retired. Monthly benefit payment information can be found in Web Member Services on the Retirement Systems website by clicking on Benefit Payroll History. Your current month’s payment displays upon entry to that link.

Direct Deposit

All benefit payments are made via Direct Deposit. You may have your funds deposited in nearly any bank, savings and loan or credit union. To sign up for Direct Deposit, complete the Retirement Systems Direct Deposit Authorization Agreement. To change banks or account numbers, visit our website under “Forms A-Z” and download a blank Direct Deposit form. Once completed, please mail or fax the form to the Retirement Systems office.

Monthly Pay Advice

Your monthly pay advice is available online, through Web Member Services (WMS). After you have entered your User ID and password, look under “Benefit Payroll History” for your retirement pay advice.

Workers’ Compensation

If you have questions about your Workers’ Compensation benefits, Cost-of-Living Adjustments to those benefits, or medical/rehabilitative services provided under the provisions of the Workers’ Compensation Act you may contact Risk Management at 703-324-3040 or 1-800-999-0709.

Beneficiary and Address Changes

When you retire, you will be asked to name a beneficiary to receive the balance of your contributions should you die before they are exhausted. If you do not elect a spousal option, and want to change your beneficiary in the first few years after retirement, you must complete a Beneficiary Change form. If you move after you retire, please complete a Change of Address form. Both forms can be found under “Forms A-Z” on the Retirement Systems website, or you can request one be mailed to you by calling the Retirement Systems office at 703-279-8200 or 1-800-333-1633.

PLEASE NOTE: All beneficiary requests must be made in writing. **Notifying the Retirement Systems will not change your beneficiary for any other benefits.** Additionally, once you have been retired for 2-3 years, you no longer need to keep the Retirement Systems apprised of beneficiary changes as they may relate to your pension. To change beneficiary information such as insurance and deferred compensation, contact the Department of Human Resources, Benefits Division or the company providing the benefit directly.

Miscellaneous Notes

- If you plan to move when you retire, remember to notify your payroll clerk of your new address so your W-2 Form will not be delayed.
- All employees must complete appropriate agency paperwork before retiring. Ask your payroll clerk about this.

Prohibition Regarding Future Employment Activities

For one year after your employment with Fairfax County ends, you may not be involved in certain activities in your subsequent employment. You may not assist anyone (other than another governmental agency) with respect to any matter you participated in while in County service, if your participation as a County employee involved a decision, approval, or recommendation with respect to the matter. For more information or a copy of the policy, contact the Department of Human Resources.

Other Information

It is important for you to keep abreast of changes in the laws and provisions that could affect your retirement and other benefits. All information affecting your benefits can be found on the Retirement Systems website at www.fairfaxcounty.gov/retirement. By creating an account within

Web Member Services, retirees can view their benefit payroll history, tax withholding, deductions and more. Retiree information in WMS is updated at the end each month. In addition, WMS provides a link to fairfaxNET so retirees can access Fairfax County news articles as well as Benefits and Open Enrollment information. Information in fairfaxNET is CURRENT.

To visit Web Member Services, go to www.fairfaxcounty.gov/retirement and click on Retirement Account Log In in the left navigation bar. Establish an account by choosing a Username and Password. Log in and proceed. You will see a link to fairfaxNET at the bottom of the left navigation bar.

HR Benefits

If you have a spouse who also retired from Fairfax County and had continuous health insurance coverage with the County, they may qualify for a health insurance subsidy after age 55. Please check with Dept. of Human Resources with questions.

For information and assistance with regards to leave payoff, health insurance, dental insurance, life insurance, call the Department of Human Resources, Payroll Division at 703-324-4917.

Deferment of Leave Payoff into Deferred Compensation Plan

Employees terminating or retiring from the county may elect to defer their annual leave and compensatory time payoff, up to the annual limits, into the deferred compensation plan. To do so, the employee must submit an enrollment form or a change form to the Department of Human Resources (DHR) in the month prior to the month that the leave payoff will be processed.

DHR generally processes annual and compensatory leave payoff in the pay period immediately following the pay period of your final paycheck.

Employees who do not submit a new form for their leave payoff will have the amount on record in FOCUS taken from their leave payoff. If you have questions about deferring your leave payoff amount to the plan, contact the Deferred Compensation Help Desk at 703-324-4995, TTY 703-222-7314.

LiveWell

The LiveWell Workforce Wellness Program focuses on improving employees' and retirees' health and well-being, while serving to curb rising healthcare costs. The LiveWell Program encourages retirees to stay active, educate themselves on various health topics, and take charge of their own health. Some of the ways LiveWell supports these goals is by providing:

- Reduced membership fees at Fairfax County RECenters
- Weight Watchers membership discounts and on-site meetings
- Free on-site Flu vaccination clinics
- Annual Employee Health and Fitness Day
- Administers MotivateMe Wellness Incentive Rewards program for participants in any of the County health plans.

For more information on LiveWell and a full list of upcoming LiveWell sponsored events, visit the LiveWell home page on FairfaxNet.

Fitness Center

Retirees are eligible to use the exercise equipment in the Fitness Center in the Government Center. Hours and cost are the same as for active employees. In addition, there are aerobics and other exercise classes offered at the Fitness Center for minimal fees. For more information, stop by the Fitness Center.

Social Security and Medicare

Social Security: Most retirees born before 1938 are eligible to receive unreduced Social Security retirement benefits at age 65 (increasing to age 67 for those born in 1960 or after). Reduced benefits are available as early as age 62). You may be eligible to receive those benefits based on your own earnings or on the earnings of your current or former spouse. In addition, Social Security provides benefits for those who are disabled and for surviving spouses and children. Surviving spouses (including divorced spouses) may be eligible to receive survivor benefits as early as age 60 or earlier if they are disabled or caring for eligible children. Social Security also provides Supplemental Security Income (SSI) benefits for those with low incomes and limited assets who are blind, disabled or over age 65.

For more information or to apply for benefits call Social Security at 1-800-772-1213. For retirement benefits, its best to call up to three months before the month you plan to begin receiving benefits.

During the first calendar year in which you collect Social Security benefits you will be paid for each month in which your earnings do not exceed a limit based on your age. After the first year, if your annual earnings exceed certain limits, your benefits will be reduced. Therefore, if you retire late in one calendar year and you receive payment for your annual leave and compensatory time in the next calendar year, your benefits could be affected since your leave pay off may cause you to exceed your annual earnings cap. In that case you may request a letter from the Department of Human Resources, Payroll Division at 703-324-3339 that informs the Social Security Administration that the leave was earned in a prior year (see section on Leave Payoff).

Medicare: If you receive Social Security benefits, you will automatically be enrolled in Medicare when you become eligible. If you are not receiving Social Security benefits, you must contact the Social Security Administration at 1-800-772-1213 up to three months before the month in which you turn age 65 to sign up for Medicare. If you do not sign up for Medicare Part B when first eligible you may be assessed a penalty for each year that you are not enrolled. However, **if you are over age 65 when you retire**, you can avoid the penalty by requesting a form from Social Security Administration to be filled out by the Department of Human Resources, Benefits Division which informs Medicare that you were enrolled in an “employer’s” health plan until the date of your retirement.

The County’s health insurance plans are not Medigap plans but still pay many of your out-of-pocket and prescription drug expenses. Generally, you will still be required to pay the same deductibles and co-payments for your medical care that you paid before you had Medicare but

in most cases, your monthly premium costs are reduced significantly. Also, if you are covered by a County health insurance plan you may not be eligible to be covered by a Medigap plan.

Rules, premiums and information regarding Medicare and Social Security change yearly so please make sure to review current information directly from Medicare and Social Security. For additional information call 1-800-MEDICARE (1-800-633-4227) or visit the Medicare website to review that publication and other resources they have available. You can access Social Security and Medicare information by visiting their websites at www.saa.gov and www.medicare.gov respectively.

Note: Medicare should not be confused with Medicaid. Medicaid is the health plan for low-income individuals with limited assets and is usually operated by State welfare or human service agencies.

Services for Older Adults and Volunteer Opportunities

Fairfax County has a reputation of being one of the best places in the country to find any type of service for the elderly. These include senior centers throughout the County where classes and activities are held; many publications geared to the needs of the elderly; home based care programs providing meals, regular visits and other care for the homebound; help with housing, medical forms, and other needs; as well as many opportunities for volunteering and recreation tailored to seniors.

The Fairfax Area Agency on Aging, publishes The Golden Gazette, a FREE 24-page monthly newspaper covering news to use for older adults in the Fairfax area. Each month, the Golden Gazette features senior center highlights, a community calendar, a gardening column and articles on important and timely health, legal, financial and consumer issues. The Golden Gazette is available in print, large print and electronic format. Visit www.fairfaxcounty.gov/dfs/olderadultservices/goldengazette.htm for information on how to subscribe.

The volunteer programs operated by the Area Agency on Aging (AAA) encompass many distinct aspects of service to the older population in the Fairfax area. Many of these programs involve volunteers over the age of 18 in direct service with clients 60 years old and over. A wish list of volunteer opportunities working with older adults is available by calling the Volunteer Solutions Intake number at 703-324-5406; TTY 711.

Most communities are served by their own Area Agencies on Aging or other government agency providing similar services. Consult your phone directory for more information. The Fairfax County Department of Family Services has a Division that provides services to older adults and adults with disabilities. Information can be found at www.fairfaxcounty.gov/dfs/olderadultservices/. Family Services also offers a wide array of volunteer opportunities that provide you with the opportunity to make a difference in your community. You can find additional information at www.fairfaxcounty.gov/dfs/About/VolOps.htm.

Fairfax County Retired Employees Association (FCREA)

Any retired Fairfax County employee or surviving spouse is eligible for membership in the Fairfax County Retired Employees Association. The FCREA is not affiliated with Fairfax County

Government or the Retirement Systems.

Besides being a voice on issues of interest and importance to County retirees, the group tries to schedule a variety of recreational activities throughout the year.

Annual Membership is \$5.00 to join and a renewal fee of \$5.00 each July 1, or Lifetime Membership for \$50.00. For more information, can be found at www.retiredfairfaxcounty.com. FCREA publishes a bimonthly newsletter for its membership called Hot Flashes.