



Your 2012 Annual Member Statement: *Important Information*

Important Information about Your Statements:

- * The Richmond Retirement System (RRS) prints Annual Member Statements each year for RRS members who work for the City of Richmond or Richmond Behavioral Health Authority (RBHA).

Your 2012 Annual Member Statement was sent to your department the first week of November, and you should receive your statement no later than November 16.
- * Not all 2012 Annual Member Statements are the same. Employees can have a RRS *Defined Benefit Plan, Enhanced Defined Benefit Plan* or *Defined Contribution Plan*, and the provisions of those plans may be different whether you are classified as a *general employee, executive employee* or *sworn police officer or firefighter*.
- * The data in your statement is as of June 30, 2012, so activity after that date is not captured.
- * Your 2012 Annual Member Statement has an “Estimating Your Annual Income in Retirement” section. This section contains actuarial estimates. While these estimates are not a guarantee of any future benefits, they may be a useful planning tool.

Please read the important assumptions used to create those estimates, as changing those assumptions can greatly impact your estimated annual income.
- * If you have questions about your 2012 Annual Member Statement, you can email retirement@richmondgov.com. You can also call (804) 646-5958.

If you are in the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan* and are classified as a *General Employee*:

- * If you are in the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan* and are classified as a *General Employee*, the interior of your statement will have section that looks like this:

Your RRS Plan. Our records indicate that you have a defined benefit administered by the RRS. The specific terms of the plan depend on whether you chose the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan* and whether you are classified as a *General Employee*, *Executive Employee*, or *Sworn Police Officer or Firefighter*. With this plan, you and your employer pay into a trust that we manage, and when you are eligible, you will receive a lifetime pension benefit.

Your retirement plan:	Defined Benefit Plan
Your employee group:	General

- * The interior of your statement has information about 3 likely sources of income in retirement:
 1. The left side of the page has information about your RRS plan, the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan*.

These plans are administered by the RRS and your years of creditable service and average final compensation will be important when calculating the amount of your benefit.
 2. The right side of the page has information about your employer's *Section 457 Deferred Compensation Plan*.

While the RRS does not administer this plan, we requested information from your Department of Human Resources/IMCA-RC to include your balance as of 06/30/2012.
 3. The right hand side of the page also has information about *Social Security*.

While the RRS does not administer this plan, income from the Social Security Administration (SSA) is an important source of income for many retirees. You can request a SSA statement by visiting www.ssa.gov, which will provide you with a more accurate estimate of your SSA benefits.
- * If you have questions about your RRS plan, please read the *Member Handbook for General Employees*. You can find this by visiting www.richmondgov.com/retirement and clicking *Publications*.
- * The *Section 457 Deferred Compensation* plan is optional. If you see that your balance is \$0, you may not be signed up for this plan, and you can speak to your department of human resources for more

	information on enrolling.
*	<p>In the <i>Estimating Your Annual Income in Retirement</i> section of your statement, you may see N/A.</p> <p>You will see N/A if you are ineligible to retire at that age. You will also see N/A if you are older than the age shown.</p>
*	<p>If you have questions about the values shown in the <i>Estimating Your Annual Income in Retirement</i> section of your statement, answers may be found in the <i>Important Assumptions</i> located on the back page of this document.</p> <p>For example, if you already collect Social Security benefits, your statement may be incorrect, because we assumed that you would not collect benefits – even Social Security benefits – until you reach the “if you are making plans to retire on” date.</p>
*	<p>All employees who receive this statement were hired on or before July 1, 2006.</p> <p>If you are thinking about a career change, please see www.richmondgov.com/retirement or call the RRS to see how your retirement benefits may be affected.</p>
*	<p>If you have questions about your 2012 Annual Member Statement, you can email retirement@richmondgov.com. You can also call (804) 646-5958.</p>

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If you are in the *Defined Contribution Plan*:

- * If you are in the *Defined Contribution Plan*, the interior of your statement will have section that looks like this. Terms of the *Defined Contribution Plan* are the same for *general employees, executive employees* and *sworn police officers and firefighters*:

Your DC Plan. Our records indicate that you have a *Defined Contribution 401(a) Plan*. This plan is sometimes called the “DC plan” or “401(a) plan” and it is administered by the RRS.

With this plan, your employer adds to your retirement savings each pay period, and the money that you receive is put into an investment account. This plan does not cost you any money, and you can manage your account and make investment decisions at www.icmarc.org.

With this plan, the amount of money that you receive from your employer depends on your years of creditable service. This increases every 5 years from 5%, to 6%, to 8% of your creditable compensation. At 15 years it reaches its maximum which is 10% of your creditable compensation.

For most employees, your creditable service is the amount of time that you worked for your employer less any periods of leave without pay.

Your DC plan account balance is:	
The amount deposited in FY2012 was:	
Your total years of creditable service are:	
Each pay period, your employer contributes:	

- * The interior of your statement has information about 3 likely sources of income in retirement:

1. The first column has information about your RRS plan, the *Defined Contribution Plan*.

With this plan, which is administered by the RRS, your employer adds to your retirement savings each pay period, and you manage how this money is invested.

With this plan, only terminated vested employees can make withdrawals, and you can find more about

	<p>withdrawals by visiting www.richmondgov.com/retirement and clicking <i>Defined Contribution 401(a) Withdrawal Fact Sheet</i>.</p> <p>2. The right column has information about your employer’s <i>Section 457 Deferred Compensation Plan</i>.</p> <p>While the RRS does not administer this plan, we requested information from your Department of Human Resources/IMCA-RC to include your balance as of 06/30/2012.</p> <p>3. The right column also has information about <i>Social Security</i>.</p> <p>While the RRS does not administer this plan, income from the Social Security Administration (SSA) is an important source of income for many retirees. You can request a SSA statement by visiting www.ssa.gov, which will provide a more accurate estimate of your SSA benefits.</p>
*	<p>If you have this plan, you will receive quarterly statements from ICMA-RC. These statements allow you to monitor gains and losses in your <i>Defined Contribution 401(a) Plan</i> account and <i>Section 457 Deferred Compensation Plan</i> account.</p> <p>Over the long term gains and losses are important, because your <i>Defined Contribution 401(a) Plan</i> and <i>Section 457 Deferred Compensation Plan</i> account may be an important source of income in retirement.</p>
*	<p>In the <i>Estimating Your Annual Income in Retirement</i> section of your statement, you may see N/A.</p> <p>You will see N/A if you are older than the age shown or if you are ineligible for benefits at that time.</p>
*	<p>If you have questions about the values shown in the <i>Estimating Your Annual Income in Retirement</i> section of your statement, answers may be found in the <i>Important Assumptions</i> located on the back page of this document.</p> <p>For example, if you already collect Social Security benefits, your statement may be incorrect, because we assumed that you would not collect benefits – even Social Security benefits – until you reach the “if you are making plans to retire on” date.</p>
*	<p>The majority of employees who are in the <i>Defined Contribution Plan</i> were hired or rehired after July 1, 2006.</p> <p>Others hired before June 30, 2006 elected to switch to this plan in 2004 or 2006, and these individuals may have a “frozen” <i>Defined Benefit Plan</i> or <i>Enhanced Defined Benefit Plan</i>. Information about “frozen” benefits is not included on these statements.</p>
*	<p>If you have questions about your 2012 Annual Member Statement, you can email retirement@richmondgov.com. You can also call (804) 646-5958.</p>

If you are in the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan* and are classified as an *Executive Employee*:



If you are in the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan* and are classified as an *Executive Employee*, the interior of your statement will have section that looks like this:

Your RRS Plan. Our records indicate that you have a defined benefit administered by the Richmond Retirement System (RRS). The specific terms of the plan depend on whether you chose the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan* and whether you are classified as a *General Employee*, *Executive Employee*, or *Sworn Police Officer or Firefighter*. With this plan, you and your employer pay into a trust that we manage, and when you are eligible, you will receive a lifetime pension benefit.

Your retirement plan:

Defined Benefit Plan

Your employee group:

Executive



The interior of your statement has information about 3 likely sources of income in retirement:

1. The left side of the page has information about your RRS plan, the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan*.

With this plan, which is administered by the RRS, your years of creditable service and average final compensation will be important when calculating the amount of your benefit.

Whether you participate in the *Director's Two for One Option* or are eligible for the *Age 65 Allowance* at retirement will also be important when calculating the amount of your benefit.

2. The right side of the page has information about your employer's *Section 457 Deferred Compensation Plan*.

While the RRS does not administer this plan, we requested information from your Department of Human Resources/IMCA-RC to include your balance as of 06/30/2012.

3. The right hand side of the page also has information about *Social Security*.

While the RRS does not administer this plan, income from the Social Security Administration (SSA) is an important source of income for many retirees. You can request a SSA statement by visiting www.ssa.gov, which will provide a more accurate estimate of your SSA benefits.



The section *CS & AFC* will show your years of creditable service by employee group for the purposes of calculating your RRS monthly benefit. Please note:

- Executive employees who do not participate in the *Director's Two for One Option* and who are not a

	<p><i>Sworn Police Officer or Firefighter</i> will see all creditable service show as “general” service.</p> <ul style="list-style-type: none"> For employees promoted to an executive position who previously had a <i>Defined Benefit Plan</i> or <i>Enhanced Defined Benefit Plan</i>, all creditable service will show as “general” service. <p>For employees promoted to an executive position, who previously had a <i>Defined Contribution Plan</i>, only creditable service earned while an executive in the <i>Defined Benefit Plan</i> or <i>Enhanced Defined Benefit Plan</i> will show as “general” service. Time in the <i>Defined Contribution Plan</i> will count towards the vesting requirement for both plans; however, time in the <i>Defined Contribution Plan</i> will not count towards your eligibility to retire under the <i>Defined Benefit Plan</i> or <i>Enhanced Defined Benefit Plan</i>, nor will it increase your years of creditable service in the <i>Defined Benefit Plan</i> or <i>Enhanced Defined Benefit Plan</i>. For information about your “frozen” <i>Defined Contribution Plan</i>, please contact the RRS or review the quarterly statements that you receive from ICMA-RC.</p> <ul style="list-style-type: none"> Executive employees who participate in the <i>Director’s Two for One Option</i> will see their creditable service eligible for “2 for 1” benefits under <i>Director’s 2 for 1</i>. This is the amount that will
<p>* </p>	<p>Regarding participation in the <i>Director’s Two for One Option</i>, employees eligible for executive benefits under City Code § 78-341 have a one-time 30 day election period.</p>
<p>* </p>	<p>In the <i>Estimating Your Annual Income in Retirement</i> section of your statement, you may see N/A.</p> <p>You will see N/A if you are ineligible to retire at that age. You will also see N/A if you are older than the age shown.</p>
<p>* </p>	<p>Because creditable compensation includes <i>Deferred Compensation Plan</i> payments made by your employer, your salary alone may not be a good indicator of average final compensation (AFC).</p> <p>For senior executive employees, the RRS used salary as of 06/30/2012 and deferred compensation payments made by your employer to estimate your monthly benefit in retirement; this is a better indicator of average final compensation (AFC).</p>
<p>* </p>	<p>If you have questions about the values shown in the <i>Estimating Your Annual Income in Retirement</i> section of your statement, answers may be found in the <i>Important Assumptions</i> located on the back page of this document.</p> <p>For example, if you already collect Social Security benefits, your statement may be incorrect, because to create these actuarial estimates, we assumed that you would not collect benefits – even Social Security benefits – until you reach the “if you are making plans to retire on” date.</p>
<p>* </p>	<p>If you are thinking about a career change – especially a career change that may affect your eligibility for executive benefits under City Code § 78-341 – please see www.richmondgov.com/retirement or call the RRS to see how your retirement benefits may be affected.</p>



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If you are in the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan* and are classified as a *Sworn Police Officer* or *Firefighter*:

- * If you are in the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan* and are classified as a *Sworn Police Officer* or *Firefighter*, the interior of your statement will have section that looks like this:

Your RRS Plan. Our records indicate that you are a *Sworn Police Officer* or *Firefighter* with a defined benefit administered by the RRS. The specific terms of the plan depend on whether you chose the *Defined Benefit Plan* or *Enhanced Defined Benefit Plan*. With either plan, you and your employer pay into a trust that we manage, and when you are eligible, you will receive a lifetime pension benefit.

Your retirement plan:

Defined Benefit Plan

Your employee group:

Sworn

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2. The right side of the page has information about your employer's *Section 457 Deferred Compensation Plan*.

While the RRS does not administer this plan, we requested information from your Department of Human Resources/IMCA-RC to include your balance as of 06/30/2012.

3. The right hand side of the page also has information about *Social Security*.

While the RRS does not administer this plan, income from the Social Security Administration (SSA) is an important source of income for many retirees. You can request a SSA statement by visiting www.ssa.gov, which will provide you a more accurate estimate of your SSA benefits.

- * If you have questions about your RRS plan, please read the *Member Handbook for Public Safety Employees*. You can find this by visiting www.richmondgov.com/retirement and clicking *Publications*.

- * The date that you are first eligible to retire with unreduced benefits is also the date that you are first eligible to enter DROP.

<p>* </p>	<p>In the <i>Estimating Your Annual Income in Retirement</i> section of your statement, you may see N/A.</p> <p>You will see N/A if you are ineligible to retire at that age. You will also see N/A if you are older than the age shown.</p>
<p>* </p>	<p>Because the <i>supplement for sworn public safety personnel</i> is only payable to age 65, your RRS plan may pay a higher benefit at age 55 and age 60 than at age 65 or age 70. This is illustrated under the <i>Estimating Your Annual Income in Retirement</i> section of your statement.</p>
<p>* </p>	<p>If you have additional questions about the values shown in the <i>Estimating Your Annual Income in Retirement</i> section of your statement, answers may be found in the <i>Important Assumptions</i> located on the back page of this document.</p> <p>For example, if you already collect Social Security benefits, your statement may be incorrect, because we assumed that you would not collect benefits – even Social Security benefits – until you reach the “if you are making plans to retire on” date.</p>
<p>* </p>	<p>If you are thinking about a career change – especially if you are considering a change that may affect your classification as a <i>Sworn Police Officer or Firefighter</i> – please visit www.richmondgov.com/retirement or call the RRS to see how your retirement benefits may be affected.</p>
<p>* </p>	<p>If you have questions about your 2012 Annual Member Statement, you can email retirement@richmondgov.com. You can also call (804) 646-5958.</p>