

## **Newport News Public Schools Employees Covered by City of Newport News Employees Retirement Fund**

At their December meeting, the Newport News City Council approved changes to the City of Newport News Employees Retirement Fund (NNERF). The history of the retirement fund and the most recent changes as they apply to Newport News Public Schools Employees are explained below.

### Prior to July 1, 2009:

Employees hired by Newport News Public Schools (NNPS) were eligible to participate in NNERF. Employees who were hired into a position that was not covered by the Virginia Retirement System (VRS), referred to as Non-VRS covered employees, participated 100% in NNERF. Employees that were hired in a VRS position participated in the supplemental retirement from NNERF.

### Effective July 1, 2009:

No new or rehired NNPS employees are eligible to participate in NNERF. NNERF is closed to new participants, and only members who were employed prior to 7/1/2009 continue to participate in NNERF either as a Non-VRS or VRS employee.

### Effective March 1, 2010:

The multiplier used to calculate the value of the retirement benefit for employees at the time of retirement changed prospectively from 2% to 1.85% for Non-VRS, and from .30% to .15% for VRS participating employees.

### Effective January 1, 2013:

The multiplier used to calculate the amount of the monthly retirement benefit changed prospectively from 1.85% to 1.65% for Non-VRS covered employees. The supplemental retirement for VRS employees is no longer offered to NNPS.

**For Non-VRS employees:** This includes hourly Plant Services staff, Child Nutrition Employees, and hourly Transportation employees hired prior to 7/1/2009.

The above changes mean that three (3) calculations will be used to determine the retirement benefit. Service accrued prior to March 1, 2010 will be calculated using a 2.0% multiplier; service accrued from March 1, 2010 through January 1, 2013 will be calculated using a 1.85% multiplier; and for service accrued after January 1, 2013, a multiplier of 1.65% will be used. The average final compensation will be based on 36 highest paid consecutive months of service.

**For VRS employees:** This includes all instructional staff (teachers, paraprofessionals and administrators), clerical and secretarial, security officers, and all other salaried employees hired prior to 7/1/2009.

The above changes mean that the retirement benefit will be determined using two (2) calculations. Service accrued prior to March 1, 2010 will be calculated using a .30% multiplier, and service accrued from March 1, 2010 through January 1, 2013 will be calculated using a .15%

multiplier. The average final compensation will be based on the 36 highest paid consecutive months of service prior to January 1, 2013.

**The NNERF plan benefit for VRS employees has been frozen as of January 1, 2013.** An employee cannot earn additional service nor can an employee receive a higher benefit based on compensation earned after January 1, 2013. NNPS employees will be eligible to receive the NNERF benefit when they meet the eligibility for retirement as established by City Code and have ended their employment with NNPS.

Please Contact the Benefits Office at (757) 881-5061 option 4 if you have questions.