

Response to Questions on the FY 2008 Advertised Budget Plan

Request By: Supervisor McConnell

Question: Please report on the portability of Fairfax County Police Department pensions.

Response:

Legislation passed in 1996 by the Virginia General Assembly made it possible for all three County retirement systems, Uniformed, Police Officers, and Employees', to enter into reciprocal agreements with other public sector defined benefit plans in Virginia to provide for portability of benefits between the plans. Portability allows individuals who leave their job and go to work for another eligible employer to transfer the value of their retirement benefits to their new employer's retirement plan. The County retirement systems currently have a reciprocal portability agreement with the Virginia Retirement System (VRS), as approved by the Board of Supervisors on May 7, 2001 and signed by VRS on June 1, 2001. This is the only portability agreement in effect in the County at present, although the Board is authorized to enter into such agreements with other eligible Virginia plans if it so chooses.

To be eligible for portability, an individual must be vested to a retirement benefit in their former plan at the time of their termination and must make the request for portability within 18 months from the date of hire to have service credited under portability. In addition, it should be noted that the only service that can be ported to the Police Officers system is service as a sworn police officer.

When an individual's contributions are transferred to the new retirement plan, a determination is made as to how much service credit those contributions can purchase in the new plan. The actual amount of service credit that an individual receives may or may not equal the actual service accumulated under the former employer's plan. For example, because Fairfax County retirement benefits are generally more generous than those of other retirement systems, such as VRS, an individual likely would not be able to purchase as much service credit in the County system as had been earned in the former system.

For additional information on the portability of retirement benefits, please see the attached fact sheet provided by the Retirement Administration Agency.