

PREPARING FOR
DISABILITY RETIREMENT



POLICE Officers

This booklet is a summary of information for Fairfax County Employees retiring on an ordinary or service-connected disability retirement. You can find more detailed information about these subjects in the Police Officers 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

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www.fairfaxcounty.gov/retirement/

Please Note: All Police Officers who were sworn in as Fairfax County employees prior to January 1, 2013 are classified as members of Police Officers Retirement System **Plan A**.

All Fairfax County Police Officers who were sworn in on or after January 1, 2013 are classified as members of Police Officers Retirement System **Plan B**.

DISABILITY RETIREMENT ISSUES – Police Officers Retirement System

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

If you have not already received a personalized estimate of your retirement benefits, call 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. Periods of Leave Without Pay (LWOP) for approved Family and Medical Leave will be ignored when calculating highest consecutive pay periods.

Service-Connected Total or Partial Disability Retirement: A service-connected disability retirement may be available for you 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.

Total Disability: The Fairfax County Ordinance defines total disability as "the inability of the member to reasonably perform his [her] duties as a law enforcement officer." The ordinance defines partial disability as "the ability of the member to perform some part of the duties as a law enforcement officer, such as in administrative or desk assignments."
(Fairfax County Ordinance 3-7-29)

To be eligible for this benefit you must apply for Workers' Compensation. The Retirement System's Board of Trustees will rule based upon medical evidence whether you are medically, totally or partially, disabled, and whether the injury or illness was job-related. (Fairfax County Ordinances 3-7-28, 3-7-30, 3-7-35, 3-7-36)

Your benefit with a total service-connected disability retirement is 66 $\frac{2}{3}$ % of your salary on the date of accident or personal injury. This benefit is reduced by payments you receive from Workers' Compensation. In addition, your retirement benefit may be reduced if you have outside earnings. If your retirement benefits and outside earnings exceed what you would have earned if you had not retired, your benefits will be reduced. Your level of benefits may also be reduced based on completion of a rehabilitation or training program, a benefits re-evaluation, or other factors which significantly increase your ability to gain other employment and compensation equivalent to or better than your prior position as a police officer. (Fairfax County Ordinances 3-7-28, 3-7-32, 3-7-33, 3-7-34)

You will continue to accrue service credit, until the total membership service credit period equals 25 years, whereafter said allowance shall be reduced to 60 percent of the salary that would have been received had no injury occurred and the performance of duty continued. Any benefits you receive from Workers' Compensation will continue to offset your retirement benefit. (Fairfax County Ordinance 3-7-28)

Partial Disability

The Board of Trustees shall grant you a service-connected partial disability if you become disabled on the job but can still perform some of the duties of a law enforcement officer such as in administrative or desk assignments. If you are partially disabled you may be asked to fill a light duty assignment that you can perform such as an administrative or desk assignment in the Police Department. If the Police Chief determines there are no assignments available, you will be eligible for partial disability benefits. The level of these partial disability benefits shall be set by the Board after considering factors specific to your individual circumstances such as:

- Medical evidence and the extent of your physical disability;
- Your ability to obtain other gainful employment based on your current education, training, age, experience, or other factors;
- Your potential for other gainful employment following a program of rehabilitation and/or retraining;
- The number of years remaining until your eligibility for normal or early retirement;
- Your current level of vested service and benefits.

(Fairfax County Ordinances 3-7-28, 3-7-29, 3-7-30, 3-7-32, 3-7-33)

Initially, the level of partial disability benefits will be set at up to 66 $\frac{2}{3}$ % of your salary at the time of your retirement. These benefits are reduced by payments you receive from Workers' Compensation or earnings from other employment that exceed the difference between your retirement benefits and the current salary of the position from which you retired. These benefits also may be reduced following completion of a rehabilitation or training program, a re-evaluation, or based on other factors which significantly affect your ability to gain other employment and compensation equivalent to or better than your prior position as a police officer.

(Fairfax County Ordinances 3-7-28, 3-7-32, 3-7-34)

Provisions Applicable to Total and Partial Disabilities

Total and partial 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. Benefits may be terminated if a retiree fails to cooperate with Workers' Compensation rehabilitation, vocational or medical requirements. (Fairfax County Ordinance 3-7-33)

Service-connected disability retirees must undergo periodic medical re-evaluations annually for the first five years and every three years thereafter as required by the Fairfax County Ordinance 3-7-33.

Total and partial service-connected disability retirees who have not yet reached their normal retirement age must send in a copy of their tax returns and W-2 forms each year to verify their outside earnings. Benefits will be reduced to the extent your earnings plus your retirement benefit exceed what you would have earned if you had not retired. (Fairfax County Ordinance 3-7-34)

Automatic Benefit for Surviving Spouse and Children

An automatic death benefit will be paid to your eligible surviving spouse and children in the event of your death before retirement, after a service retirement, or retirement for a service-connected total disability. It is not payable if your death occurs while you are receiving a non-service connected or a deferred vested benefit.

Your eligible surviving spouse (or eligible surviving handicapped child if there is no spouse) will receive a pre-determined monthly death benefit. Each eligible surviving child will also receive a monthly benefit. However, there is a maximum monthly benefit payable to all surviving family members combined. Each July 1 automatic benefits will be increased to reflect the retiree COLA. Please see our website for current rates.

Eligible surviving children include all unmarried children under 18 who are not supporting themselves. Unmarried children under age 23 may qualify if they are full-time students in an accredited college or secondary school. An eligible handicapped child is a member's natural or legally adopted child who, in the Board's judgment, is permanently mentally incompetent or permanently physically handicapped.

The benefit will continue to your surviving spouse until their death. The benefit will continue to a surviving child until that child marries, becomes self-supporting or reaches the age limit, whichever happens first. A handicapped child will receive the surviving child's benefit unless there is no surviving spouse. In that case the handicapped child will receive the spouse's benefit until the handicapped child is determined to be no longer permanently mentally incompetent or permanently physically handicapped. Each July 1 these benefits will be increased to reflect increases in the Consumer Price Index.

Non-Service-Connected Disability Retirement: If you become totally disabled but it is not due to a job-related accident or illness or if it is due to your own gross and willful negligence, wanton neglect of duties and responsibilities, drunkenness or illicit use of narcotics, the System's Board of Trustees may retire you on a non-service-connected disability retirement. No disability benefits are provided for partial non-service-connected disabilities. (Fairfax County Ordinances 3-7-31, 3-7-36)

Benefits for non-service-connected disability retirement are calculated at 2.8% times Final Average Salary* (FAS) times your years of service (the minimum benefit is 10% of FAS). 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**. Benefits are taxable. To continue to receive benefits, non-service-connected disability retirees must satisfy medical examinations annually for the first five years after retirement then every three years thereafter as required by the County Code. Your level of benefits may also be reduced following completion of a rehabilitation or training program, a re-evaluation, or based on other factors which significantly affect your ability to gain other employment and compensation equivalent to your prior position as a police officer. Also, benefits cease if you return to work with Fairfax County in a retirement eligible position under the Police Officers Retirement System before your normal retirement date. You will not receive service credit while on non-service-connected disability retirement and no automatic

surviving spouse and children's benefit is payable. (Fairfax County Ordinances 3-7-31, 3-7-32, 3-7-33)

Applications for disability retirements must be made within one year of your termination from Fairfax County. Once they have been completed and returned, the Board of Trustees will make a determination if you are medically disabled and if the disability was job-related.

*Final Average Salary (FAS) is the average of the highest consecutive 78 bi-weekly pay periods any time in your career with the County. Periods of Leave Without Pay (LWOP) for approved Family and Medical Leave will be ignored when selecting the highest consecutive pay periods.

**Unused sick leave is credited up to a maximum of 2,080 hours for those who were sworn on or after January 1, 2013.

Decisions You Must Make at Retirement

When Should I Go? There is no mandatory retirement age so you can continue working after you become eligible to retire. However, once you decide to retire, there are several things that you should consider before deciding when in the year you wish your retirement to become effective.

Pay Increases and Retiree COLA: You may wish to wait until after the effective date of a pay 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 pro-rated first year COLA 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 January or, you may choose to wait until after 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 also have to make decisions about any deductions or tax withholding you may wish to have taken from your retirement check. You may request that deductions for County group term life, dental and health insurance premiums, as well as contributions (if any) to your credit union be taken from your retirement benefits. 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.

Are My Benefits Taxed? Service-Connected Disability Retirement benefits are not reposted as taxable while Ordinary Disability Retirement benefits generally ARE taxable. Service-connected disability benefits are also reduced by payments you receive from Workers' Compensation. 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
- 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
- A copy of your notification letter to the Chief of Police

*In the absence of completed forms, taxes will be withheld at the married with three exemptions rate for federal taxes (one exemption for Virginia state taxes)

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 must "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 a position covered by one of the other Fairfax County Retirement Systems, you 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. You do not receive credit for the period you were receiving retirement benefits.

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. (Service-Connected and Severe Disability retirees may not have taxes withheld.)

Direct Deposit

Direct Deposit is required for the payment of benefits. 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, call the Retirement Systems office at 703-279-8200 or 1-800-333-1633.

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.

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 once each month, on the last business day. 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. Establish an account by choosing a Username and Password. You will see a link to fairfaxNET at the bottom of the left navigation bar.

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 Retirement System Change Request form. This form 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.

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.

Medicare: If you are age 65 or receive Social Security disability benefits you may be eligible for Medicare. *(Fairfax County retirees covered by one of the County's health insurance plans are not covered by an employer's health plan but are in a retiree's health plan.)* Medicare has two parts. Part A is premium-free for most County retirees and pays for covered inpatient hospital care. The Part B amount is deducted from your Social Security check **if you receive Social Security benefits**, and covers doctors' services, outpatient hospital care and other medical services. Those enrolled in one of the County health insurance plans as a retiree are required to sign up for both Part A and Part B Medicare when first eligible.

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.

Medicare Part A pays most costs for inpatient hospital, skilled nursing facilities, home health and hospice care. Part B pays many of the costs for doctors' services; outpatient hospital services; home health visits; diagnostic X-rays, laboratory and other tests; certain ambulance services; and some other medical services and supplies. Both Part A and B require you to pay deductibles and some portion of the cost of covered services. Currently, Medicare provides no coverage for prescription drugs, dental care, and long-term custodial or nursing home care.

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, you may want to contact Medicare for the publication entitled Medicare and You 2011 Handbook available from Medicare Publications, 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.