

## How will you fill your retirement jar?

Filling the jar will provide for 100% replacement of your pre-retirement earnings in retirement. What portion of your jar will be filled with NERS benefits.....

### My Retirement Jar

Your NERS benefit will only fill a portion of your jar, the rest will need to come from other sources of income: Personal Savings, Social Security, Supplemental Income, etc.



### Retirement Office



#### Key Areas:

- Retirement Pensions
- Employee and Retiree Death Benefits

**Phone:** 757-664-4738  
**Email:** retirement@norfolk.gov  
**Mailing Address:** Norfolk Employees' Retirement System  
 810 Union Street  
 Suite 309  
 Norfolk, VA 23510



### Human Resources

#### Key Areas:

- ICMA Accounts

**Phone:** 757-664-4486

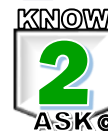
## UNDERSTANDING RETIREMENT: A Guide to Benefit Calculation



**Audience:** Active NERS members

**Description:** Summarizes Norfolk Employees' Retirement System (NERS) Defined Benefit Calculation.

**DISCLAIMER:** This pamphlet summarizes parts of Chapter 37 of the Code of the City of Norfolk. The summaries are intended to provide simplified and meaningful information that is relevant to the average member. Any information that is inconsistent with, or contradicts, Chapter 37 must be disregarded.



The NERS "Know 2 Ask" series provides basic information needed to empower you to ask important retirement-related questions. Knowing who and what to ask is key.

## Overview

NERS will calculate your retirement allowance using salary information, creditable service years, and unused sick leave as of your Effective Retirement Date.

## Know the Inputs

### ❖ **Creditable Service Years.**

Years of employment with the City counted as creditable service in NERS. Periods of purchased service, employment in a non-covered position, as a part-time employee or on leave without pay may mean that your creditable service years do not equal your years of employment with the City.

### ❖ **Average Final Compensation (AFC).**

Became member before 7/1/2018:

Average of three highest compensation years.

Became member on or after 7/1/2018:

Average of highest 60 consecutive months of compensation.

*Special pay may apply for Public Safety members.*

### ❖ **Accrual Rate (per year).**

Public Safety Members: **2.5%**

General Members:

- Became member on or before 6/30/1980: **2%**
- Became member after 6/30/1980: **1.75%**

### ❖ **Sick Leave.**

Unused sick leave at the time of retiring or leaving employment is counted as creditable service for calculation purposes only.

## Key Takeaways

- ❖ **Defined benefits.** NERS benefit is defined at retirement based on key inputs. NERS defined benefit is not subject to fluctuations in the financial markets. Mandatory member contribution balances or contributions to an ICMA retirement account do not factor into NERS benefits. Contact Human Resources for info on ICMA accounts.
- ❖ **No COLA provision.** NERS does not include a provision for a Cost of Living Allowance.
- ❖ **Benefits are capped.**  
Public Safety Members: 65% of AFC, or 26 creditable service years.
- ❖ **General Members:** 35 creditable service years.
- ❖ **Early Penalty.** Early Service retirement allowances paid before reaching normal retirement eligibility are reduced. Reduction is based on when you begin collecting relative to your normal retirement eligibility date.  
Reduction factors: Public Safety Members: 6% per year  
General Members: 3% per year

### **KNOW YOUR NUMBER**

Based on your **creditable service years at retirement** and **accrual rate**, your NERS benefit will be a percentage of your average **final compensation**.

**My NERS Number is:**

\_\_\_ yrs. × 1.75% (General) or 2.5% (Public Safety) = \_\_\_ %

**Now that you know your number, turn the page and mark your “fill” line on your retirement jar.**