

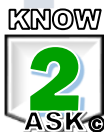


# Membership Status: Understanding Employment Status Changes

**Audience:** Norfolk Employees' Retirement System (NERS) Members

**Description:** Summarizes the impact employment status changes have on NERS benefits

**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 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

Changes in your City employment classification or status may impact your retirement benefits. Whether you are a City employee moving out of a NERS-covered position, a rehire, experiencing extended leave without pay, or separating permanently from City employment, you should consider how these changes impact your retirement benefits.

Employment Classification

As a City employee you may be a member of the NERS, the Virginia Retirement System (VRS), or neither. The NERS and the VRS are two distinct and separate retirement systems.

Examples of retirement covered and non-covered positions:

NERS-Covered Positions
<ul style="list-style-type: none"><li>Full-time and permanent part-time positions that are eligible under Chapter 37 with a hire date <u>before</u> January 1, 2022.</li><li>Full-time Special Project with Retirement positions with a hire date <u>before</u> January 1, 2022.</li></ul>
VRS-Covered Positions
<ul style="list-style-type: none"><li>All eligible full-time positions with a hire date <u>on</u> or <u>after</u> January 1, 2022.</li><li>Certain positions in the offices of the City Treasurer and Commissioner of the Revenue</li><li>Certain positions in the Commonwealth's Attorney Office</li><li>General District Court and Circuit Court positions</li><li>Norfolk Sheriff's office positions</li></ul>
Non-Covered Positions
ALL PART-TIME EMPLOYEES, including permanent part-time, hired, <u>on or after January 1, 2022</u> , are NOT eligible to participate in the NERS or VRS retirement plans.

## **Impact of Classification Changes**

Certain NERS retirement benefits are only available to vested general or sworn public safety employees who are actively employed by the City in NERS-covered positions. If you are considering leaving your NERS-covered position before retiring or vesting in the NERS, you should consider the following:

- Vested NERS members (those with five (5) or more years of creditable service) who are no longer actively employed with the City are entitled to a future retirement benefit and are eligible to apply for a vested retirement once they reach the Normal Service Retirement (NSR) age requirement.
- Vested members who are no longer actively employed in a NERS-covered position are not eligible to apply for an Early Service Retirement (ESR).
- Nonvested members (those with less than five (5) years of creditable service) forfeit their future NERS benefit at the time their NERS membership ceases.
- Nonvested members, whose NERS membership ceases, are entitled to a refund of mandatory contributions by submitting a 402(f) Election Request form to the Retirement Office, which can be found at [www.norfolk.gov/retirement](http://www.norfolk.gov/retirement).

## **Permanent Part-time NERS Creditable Service**

NERS membership was extended to permanent part-time employees in January 1997. However, the creditable service accrual rate for NERS members in these positions is prorated, meaning it is adjusted based on

- **Full-time Equivalent (FTE)** The creditable service accrual rate for a full-time employee in a NERS-covered position who works 2,080
- **Permanent Part-time Accrual Rate** Permanent part-time employees have a prorated FTE rate, based on their scheduled

**Extended Leave Without Pay**

- **30-Day Rule** NERS members who are on leave without pay for a period of thirty (30) days or more will not earn any creditable

**Key Takeaways**

- Not all positions are eligible for NERS benefits.
- Part-time employees hired **on or after January 1, 2022** are **NOT** eligible for retirement benefits from the NERS nor the VRS.
- Contact the Finance Retirement Office regarding possible impacts to your retirement benefits if you are considering changing positions, leaving City employment, or will be on leave without pay for more than thirty (30) days.

**Finance Retirement Office**

Key Areas:

- Vested Retirement Benefits
- Nonvested Refund of Mandatory Contributions

Phone:

**(757) 664-4738**

Email:

**retirement@norfolk.gov**

Website:

**www.norfolk.gov/retirement**

Mailing Address:

**City of Norfolk Retirement  
810 Union Street, Suite 309  
Norfolk, VA 23510**

**Human Resources**

Key Areas:

- Active Employee/Retiree Benefits

Phone:

**(757) 664-4486**

Email:

**HRhelp@norfolk.gov**