

MEMBERSHIP STATUS: Understanding Employee Changes



Audience: NERS members

Description: Impact on Norfolk Employees' Retirement System (NERS) benefits from employee status changes.

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

Changes in your City employment classification or status may impact your retirement benefits.

Whether you are moving to or from an NERS-covered position, experiencing extended leave without pay, or separating permanently from the City, you should consider how it will impact your retirement benefits.

Employment Classification

Impact: As a City employee, you may be a member of the Norfolk Employees' Retirement System (NERS), Virginia Retirement System (VRS), or neither. NERS and VRS are separate and distinct retirement systems.

Here are examples of covered and non-covered positions. If in doubt, contact Human Resources regarding your benefits.

❖ NERS-Covered Positions.

- Full-time and permanent part-time positions that are eligible under Chapter 37.
- Special project positions after two years of service.

❖ VRS-Covered Positions.

- City Treasurer positions.
- Commonwealth's Attorney Office positions.
- General District Court and Circuit Court positions.
- Sheriff's office
- Norfolk Port Authority and Port-Traffic positions.

❖ Non-Covered Positions.

- Temporary and casual part-time positions.
 - Special project positions less than two years.
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Position Classification

Impact: Certain retirement benefits are only available to vested members who are in service as a general employee or public safety employee. This simply means the member is employed by the City in an NERS-covered position.

❖ Vested Members.

- Eligible to apply for a vested retirement at Normal Service Retirement Age, based on the rules in effect as of member's separation date.
- No early service retirement option is available to vested members who are no longer employed in an NERS-covered position.

❖ Nonvested Members.

- Entitled to a refund of mandatory contributions by submitting a 402(f) Election Request form.
- Lose NERS membership upon switching to a non-covered position.

Scheduled Hours

Impact: In January 1997, NERS membership was extended to permanent part-time employees. However, the creditable service accrual rate is prorated.

❖ Full-time Equivalent (FTE).

For NERS purposes, a full-time employee is one FTE and works 2,080 hours per calendar year.

❖ Part-time Accrual Rate.

Permanent part-time employees have a prorated FTE rate, based on their scheduled hours for the year.

Vested Status

Impact: Members who leave service will be due either a retirement benefit at Normal Service Retirement Age or a refund of mandatory contributions, depending on whether they are vested.

❖ Vested Members.

Vested members are eligible to apply for a vested retirement at Normal Service Retirement Age, based on the rules in effect as of member's separation date. However, there is no early service retirement option available.

❖ Nonvested Members.

Nonvested members are entitled to a refund of mandatory contributions. Request a refund by submitting the 402(f) Election Request form.

Extended Leave Without Pay

Impact: Members who are in service and have periods of leave without pay.

❖ 30-Day Rule.

Members who are on leave without pay for a period exceeding 30-days will not accrue any credible service for the entire period of leave.

Retirement Office



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