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MEMBER NEWS

A Publication for VRS Members

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Member Education



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Have an idea for an article?



Introducing the Hybrid Retirement Plan Learning Channel

Whether you're a new member in the Hybrid Retirement Plan or want to better understand the details, the Hybrid Retirement Plan Learning Channel, with its selection of quick-watch videos, is a great place to start.

Topics include:


- **Starting Your Hybrid Plan Adventure** introduces the plan to new VRS members.
- **Driving Your Hybrid Plan** explains how the defined benefit and defined contribution components of the plan work together.
- **Exploring Your Hybrid Plan** takes a closer look at mandatory and voluntary contributions and how to take full advantage of the employer match.
- **Savings Toolkit** shows which VRS tools to use to maximize your savings and track your progress on saving for your future.
- **Things to Know Before You Go** explains your benefit options if you leave your job before retirement.
- **Retiring Minds Want to Know** explores the financial and mental impacts of retirement.
- **Retirement Ready** helps you determine when you will be eligible to receive retirement benefits from the two components of your plan.
- **Your Retirement, Your Choice** dives into the different ways you can receive your funds at retirement.



Hybrid Plan Members: Auto-Escalation Helps You Save More

The next Hybrid Retirement Plan auto-escalation will take place in January 2020, effective with the first payroll that month.

Auto-escalation helps hybrid plan members maximize retirement savings and take full advantage of employer matching funds. If you are not already contributing the maximum 4% in voluntary contributions to your retirement account, auto-escalation automatically increases your contribution by 0.5% every three years until it reaches the maximum. Voluntary contributions allow you to save on a pre-tax basis and take advantage of compound interest. Use the [Hybrid Member Paycheck Calculator](#) to visualize the impact of contributions and other deductions on your paycheck. It's often less than you think.

If you choose not to save more for retirement, you can opt out of auto-escalation between October 1 and December 15. You also have the option to set your own annual increases using [SmartStep](#)  to reach the maximum faster. For more information on the advantages of saving through voluntary contributions, [visit the Hybrid Retirement Plan website](#).



It's Time for a Retirement Checkup: View Your Member Benefit Profile

Your 2019 Member Benefit Profile (MBP) will be ready for you to view in your [myVRS account](#) later this month. The MBP is your annual benefit statement based on information your employer reported to VRS as of June 30. It provides account balance information, details on when you will be eligible for retirement and information on other benefits you may be eligible for, such as group life insurance and the health insurance credit.

If you participate in the Commonwealth of Virginia 457 Deferred Compensation Plan, use the MBP to help determine if you're on track with your retirement saving goals.

All members can take advantage of the myVRS Retirement Planner and Benefit Estimator tools to assist with planning. Check out myVRS Financial Wellness for tips and strategies for paying off debt, managing your money and saving smarter. And while you're in your myVRS account, take a moment to review your account profile to make sure your address and contact information are up to date.

Together, your MBP and myVRS account help you stay on track with your retirement goals.



Enroll with reduced
underwriting until Oct. 11

Why You Should Consider Long-Term Care Coverage

Most medical plans don't cover long-term care services such as nursing home care or at-home care. Anyone at any age may need these services and the cost can quickly deplete savings. [The Commonwealth of Virginia \(COV\) Voluntary Group Long Term Care Insurance Program](#) can help with these costs.

VRS has contracted with Genworth Life Insurance Co. as the insurer for the program. Genworth began accepting new enrollees on September 16,* with coverage beginning December 1. Eligible members age 65 and under who apply during a special enrollment period September 16 – October 11, will have fewer medical underwriting requirements. After October 11, full medical underwriting will be required. You pay premiums directly to Genworth.

Learn how long-term care insurance can help protect your future. [Register for a webinar.](#)

For more information, call Genworth Life toll-free at [866-859-6060](tel:866-859-6060) or visit [Genworth's website.](#)

*Members who enrolled in the long-term care insurance program before December 31, 2016, will continue their coverage under that program.

State Employees to See Health Insurance Premium Holiday in October

State employees and covered family members enrolled in the State Health Benefits Program will have a [premium holiday](#) for the month of October. No health insurance premiums will be deducted from state employees' October 16 and November 1 paychecks.

VRS Trust Fund Reaches \$82 Billion in Fiscal Year 2019

The Virginia Retirement System achieved a 6.7% return, net of fees, on its investment portfolio for fiscal year 2019. The trust fund ended the year with approximately \$82.3 billion, setting a new high for the fund.

[Read the full release.](#)

How a Divorce Can Affect Your VRS Benefit; New Forms Simplify ADRO Process

There are a number of life changes that can affect your VRS benefits. One of these is divorce. Did you know that in a divorce, your retirement benefit payment may be considered marital property in a property settlement?


The *Code of Virginia* authorizes VRS to make a direct payment to a former spouse if the court awards your former spouse part of your benefit. VRS carries out the court decision when it receives a certified copy of an acceptable court order, which VRS designates as an Approved Domestic Relations Order (ADRO). The court, not VRS, decides whether to divide your retirement benefit and how it is to be divided.

If you are in the process of getting divorced, provide [VRS preapproved forms](#) to your attorney to submit. Beginning January 1, VRS will no longer accept a certified order as an ADRO unless it is one of the VRS preapproved forms. The forms – one for defined contribution accounts and one for defined benefit accounts – include instructions and are required for VRS to divide benefits. Because the new forms are required, VRS also will no longer accept draft orders for preapproval.

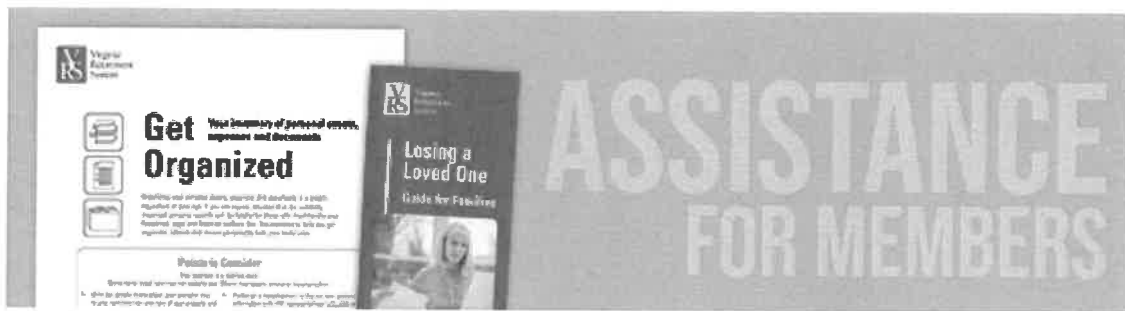
VRS will not release information about your benefit to anyone other than yourself without your written authorization, unless your information is subpoenaed.



Manage Your Defined Contribution Plan Accounts On the Go


Your smart phone is always with you. Why not use it to keep track of your [DCP accounts](#)? [Download the app](#)  from the Apple Store or Google Play (search VRS DCP) and use it to see your plan balance, increase your contributions and use plan calculators. You can watch videos to get inspired to save and see what your future animated self looks like. You also have the option to sign up for [TextAccess](#), which


offers instant updates on your balance, last contribution amount and rate of return.



Brochures Offer Help for Estate Planning

If you were incapacitated and someone had to handle your legal and financial matters, would your personal documents be organized? If you died suddenly, would your survivor know how to file claims for VRS benefits? VRS offers two companion publications that you and your loved ones can use to prepare for these possibilities.

Get Organized  is a new online document designed to help you create a secure inventory of personal assets, expenses and records to review with trusted people, such as the executor of your estate. It lists important items to include, points to consider and has a quick-reference guide for locating assets and records.

Losing a Loved One: Guide for Families , a brochure for survivors of deceased or incapacitated VRS members, has been updated. The brochure provides basic guidance for both newly bereaved families and those preparing for the loss of a loved one. It includes instructions on who to contact if the VRS member was active, retired or in the line of duty, and a list of documents that survivors may need when claiming benefits. You can include the brochure with your personal records, such as your will, power of attorney or healthcare directives. Request a printed copy from your employer or by calling VRS at **1-888-827-3847**.

Protect Yourself From Fraud: Claim Your VRS Accounts

What's the best way to protect your VRS accounts from phishing attempts and identity theft? Claim your online accounts. If you have not signed up for your **myVRS account** and your **defined contribution Account Access** (for Hybrid Retirement Plan members and **DCP participants**), don't delay another day.

When you register, complete the identity verification steps and set up your password-protected accounts, you prevent anyone else from attempting to lay claim to the account fraudulently. Through myVRS, you gain access to up-to-date benefit information and tools such as the Benefit Estimator, the Retirement Planner and myVRS Financial Wellness, all designed to help you reduce financial stress. Account Access provides a personalized dashboard to help you manage your defined contribution accounts.

Sign up today.

FAQ: OK, I'm Saving for Retirement, But How Much Will I Need?

You've probably heard that most financial planning experts recommend a retirement income that equals 80% of your current earnings. As a VRS member, your retirement income is based on:

- Your lifetime monthly VRS retirement benefit.
- Social Security.
- Your savings and investments.

For a personal estimate of how much you may need, start with your [myVRS account](#). Use the Retirement Estimator to create retirement benefit estimates based on different retirement dates or payout options. Then go to the Retirement Planner to compare your benefit estimate to possible expenses, including income taxes, health insurance, mortgages and other living expenses. Also take a look at your Member Benefit Profile, which is your annual benefits statement as of June 30.

To help increase your financial awareness and save smarter for retirement, visit myVRS Financial Wellness. Available through your myVRS account, this program uses videos, articles, personalized assessments, calculators and courses to help you improve your financial health.

If you participate in the Commonwealth of Virginia 457 Deferred Compensation plan, view your account balance to see whether you need to increase your contributions to reach your goal. Your MBP will have a customized retirement income analysis that provides an estimate of your future income and measures this estimate against 80% of your current compensation.



Member Education

Classroom and webinar courses are posted on the VRS website as they are scheduled. Register from our [Education and Counseling pages](#).

Retirement Planning

- Are You on Track?
- Are You Ready to Retire?
- myVRS Financial Wellness
- Hybrid Retirement Plan Member Education

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