

# Arlington Public Schools Benefits Orientation

New Employees  
and  
Newly Eligible Employees

## Benefits Packet





# Benefits at a Glance

Plan Year 2018

## Medical Coverage

### Plans Offered

- Cigna Open Access High option
- Cigna Open Access Low option
- Kaiser Permanente HMO

## Dental Coverage

Delta Dental of Virginia

## Vision Coverage

Vision Service Plan (VSP)

## Group Term Life Insurance and Accidental Death & Dismemberment (AD&D) Insurance

Employees who are members of the Virginia Retirement System are covered by the VRS group term life insurance program. The life insurance benefit is 2 x times your annual base salary.

## Optional Life Insurance and AD&D Insurance

VRS member employees may also purchase additional coverage for themselves, their spouse, and their dependent children.

## Disability Insurance

Disability insurance provides income replacement in the event of a non-work related illness or injury. VRS Hybrid Plan members are eligible for disability benefits after 12-months of continuous APS service.

## Long Term Care Insurance

Long Term Care coverage, provided by Genworth Life Insurance Co., is available for employees, their spouses, parents, and spouse's parents.

*(Effective Jan. 1, 2017, the Virginia Retirement System (VRS) advised no new enrollees will be accepted due to the insurance company's restructuring plan. VRS will continue to update APS accordingly.)*

## Flexible Spending Accounts (FSAs)

- Health Care FSA
- Dependent Care FSA
- Parking FSA and Transit FSA

## Virginia Retirement System (VRS)

### VRS Hybrid Plan Members

The VRS Hybrid Plan combines the features of a Defined Benefit plan and a Defined Contribution plan. Benefits-eligible employees with no previous VRS service credit, whose VRS membership date is on or after January 1, 2014, are automatically enrolled as Hybrid Plan members. A mandatory employee contribution applies equal to 5% of your annual salary; 4% funds your Defined Benefit plan and 1% funds your Defined Contribution plan.

VRS Hybrid Plan members can save additional money (up to 4% of your annual base salary) deposited into a Defined Contribution plan. You will receive an employer match on voluntary employee contributions. Go to [www.varetire.org/hybrid](http://www.varetire.org/hybrid) to learn more.

### VRS Plan 1 and VRS Plan 2 Members

VRS Plan 1 and VRS Plan 2 are Defined Benefit plans. A mandatory employee contribution applies, equal to 5% of your annual salary. If you were previously a member of VRS and you have not received a refund of your member contributions, you will be placed back into your previous VRS Plan. If you are uncertain if you remained in VRS, please contact VRS directly at 1-888-827-3847.

## Optional Supplemental Retirement Plan

APS offers a several voluntary retirement plans to help you achieve your retirement goals. 403(b), ROTH 403(b), 457, and ROTH 457 plans are offered through Lincoln Financial Group and AXA Advisors/PlanMember Services.

### School Board Match Program

The Supplemental Retirement Plan includes a School Board Match Program. For Benefits-Eligible Employees, the School Board matches up to 0.4% of your base salary, or up to \$240 per year, whichever is greater.

## Employee Assistance Program (EAP)

The Arlington EAP provides services to employees of Arlington County Government and Arlington Public Schools and their family members. The EAP works with employees and family members who have problems which may affect job performance; these can be problems at home or on the job. The EAP adheres to strict laws of confidentiality. There is no charge for EAP services.

## APS Wellness

APS Wellness promotes health, productivity, and happiness through employee wellness initiatives such as Active for Life, The Biggest Loser, Healthy Habits, and volleyball, kickball, and bowling tournaments.

## Paid Leave

### Annual leave

12-Month employees earn annual leave of 14 to 28 days each fiscal year, depending on years of service with APS.

### Personal leave

3 days are advanced to all 10 and 11-Month employees at beginning of the school year. A maximum balance of 3 days may be carried over with the remainder transferred to sick leave balance.

### Sick leave

Employees who earn annual/personal leave also earn sick leave for each month worked. Sick leave may be used for personal illness or the illness or death of a family member. There is no limit to the amount of sick leave you may accrue.

### Parental leave

APS will provide two consecutive weeks (10 work days) of paid leave to eligible employees due to the birth of a child, or placement of a child through adoption or foster care.

## Other Leave (may be paid or unpaid)

- Family and Medical Leave (FML)
- Military Leave
- Professional Leave
- Leave of Absence
- Religious Observation Leave
- Civil Leave
- Study Leave

## Live & Work in Arlington Housing Grant Program

APS offers grants to eligible employees who work 30 or more hours per week. This program is to help employees defray the costs of purchasing or renting their first primary residence in Arlington. There are two types of grants – a housing purchase grant and a housing rental grant. Funds are budgeted annually and may be limited.

## Scholarships

The School Board funds scholarships to eligible employees pursuing courses of study that are related to their job responsibilities. Payments are based on the University of Virginia undergraduate tuition rate. Funds are budgeted annually and may be limited.

## Retiree Medical and Dental Benefits

Employees who are enrolled in an APS sponsored medical and/or dental insurance plan may be eligible to retain their coverage upon retirement.

## The Children's School

School system employees are eligible to enroll their children in The Children's School, an employee-owned cooperative day care facility that provides day care for infants through five-year-olds during the school year.

## Holidays

### APS observes the following holidays:

- New Year's Eve and New Year's Day
- Martin Luther King's Birthday
- President's Day
- Memorial Day
- Fourth of July
- Labor Day
- Columbus Day
- Veterans' Day
- Thanksgiving Day (and following Friday)
- Christmas Eve and Christmas Day

# Medical Coverage at a Glance (2018 Plan Year)

Kaiser Permanente HMO		Cigna Open Access Low Option	Cigna Open Access High Option
In-Network Benefits	You Pay	You Pay	You Pay
Provider Network	Providers located in Kaiser Permanente Medical Centers	National Provider Network	National Provider Network
Primary Care Physician (PCP) referral required to see Specialist?	Yes	No	No
PCP Required?	Yes	No	No
PCP Office Visit	\$10 copay	\$30 copay	\$20 copay
Specialist Office Visit	\$15 copay	\$60 copay	\$40 copay
Mental Health Provider Office Visit	\$10 copay	\$30 copay	\$20 copay
Annual Deductible	None	\$400 Individual / \$800 Family	\$300 Individual / \$600 Family
Annual Out-of-Pocket Maximum	\$2,250 Individual / \$4,500 Family	\$3,000 Individual / \$6,000 Family	\$3,000 Individual / \$6,000 Family
Inpatient Hospitalization, Facility	Covered 100%	After deductible, \$250 copay and 20% coinsurance	After deductible, \$250 copay and 10% coinsurance
Outpatient Hospitalization, Facility	\$20 copay	After deductible, \$100 copay and 20% coinsurance	After deductible, \$100 copay and 10% coinsurance
Emergency Room, Facility (waived if admitted)	\$50 copay	\$250 copay	\$200 copay
Urgent Care Visit	\$10 copay	\$50 copay	\$50 copay
Retail Pharmacy (up to a 30-day supply) Generic	at Kaiser Medical Center	at Participating Retail Pharmacy	
	\$15 copay	\$20 copay	\$4 copay
Preferred Brand	\$25 copay	\$45 copay	35% (Minimum \$35; Maximum \$50)
Non-Preferred Brand	\$40 copay	\$60 copay	50% (Minimum \$50; Maximum \$100)
Out-of-Network Benefits	You Pay	You Pay	You Pay
Annual Deductible	No Benefits Available	\$800 Individual / \$1,600 Family	\$750 Individual / \$1,500 Family
Annual Out-of-Pocket Maximum	No Benefits Available	\$5,000 Individual / \$10,000 Family	\$3,750 Individual / \$7,500 Family
Coinsurance (% of allowed amount you pay for most services)	No Benefits Available	40%*	30%*
<b>Your Cost of Coverage</b>			
The semi-monthly payroll deductions listed below apply to Medical coverage in effect from January 1, 2018 through December 31, 2018. The deductions listed below are based on 24 pay checks per year. If you are a 10-month employee and elected to receive 20 pay checks per year, Reserve Deduction amounts will also apply.			
<b>Individual Coverage</b>			
30 – 40 hours	\$ 58.26	\$ 68.84	\$ 124.15
15 – 29 hours	\$ 161.55	\$ 166.80	\$ 256.06
<b>Individual + Spouse Coverage</b>			
30 – 40 hours	\$ 141.16	\$ 183.47	\$ 293.30
15 – 29 hours	\$ 342.03	\$ 369.73	\$ 554.01
<b>Individual + Child(ren) Coverage</b>			
30 – 40 hours	\$ 127.38	\$ 166.00	\$ 265.37
15 – 29 hours	\$ 308.67	\$ 334.52	\$ 501.25
<b>Family Coverage</b>			
30 – 40 hours	\$ 246.30	\$ 301.82	\$ 500.47
15 – 29 hours	\$ 520.40	\$ 548.05	\$ 832.19

\* You may also be responsible for 100% of any amounts charged that exceed Cigna's allowed amounts.



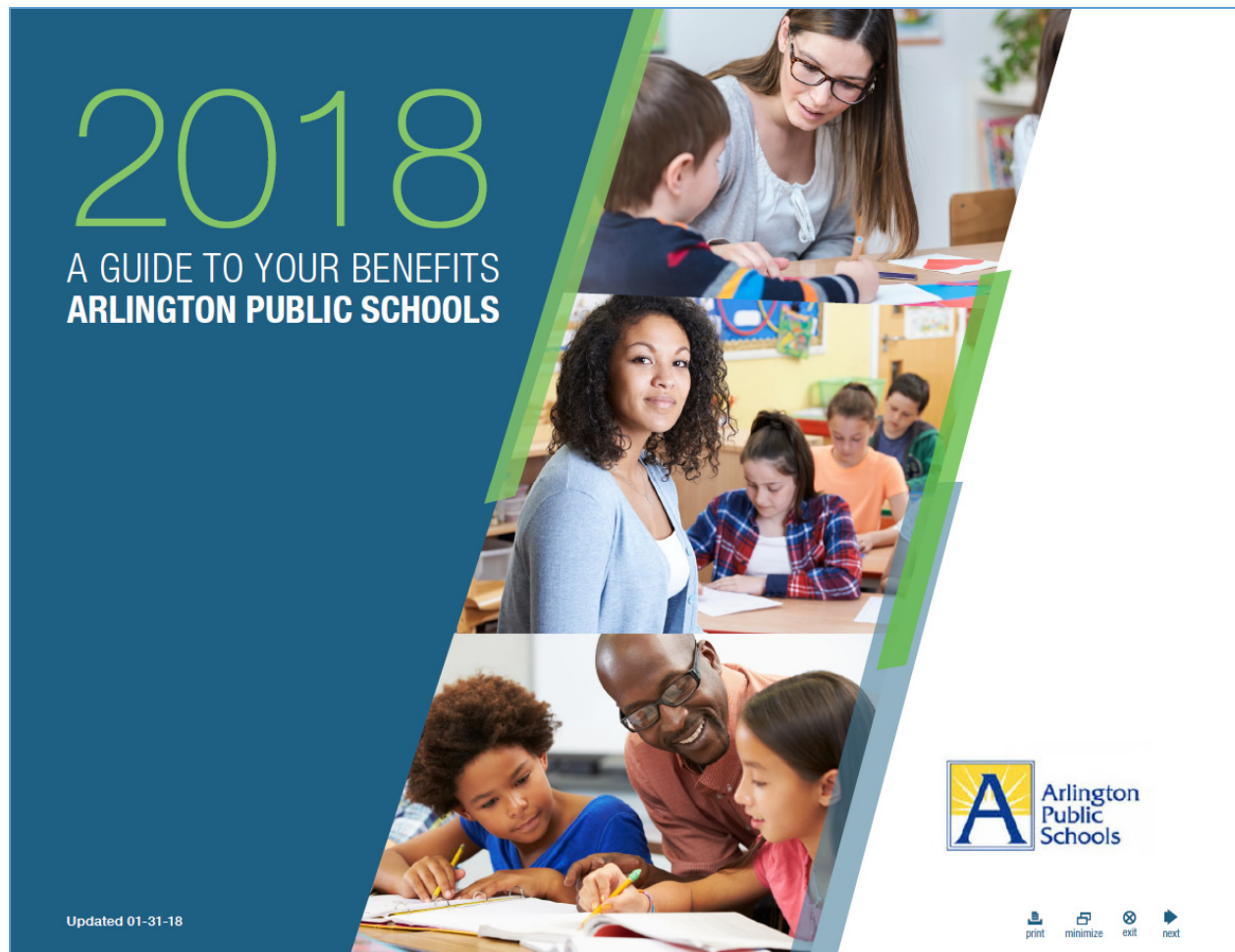
## Dental Coverage at a Glance (2018 Plan Year)

Delta Dental of Virginia	In-Network	Out-of-Network*
Service / Feature	You Pay	You Pay
Provider Network	PPO or Premier Network	n/a
Calendar Year Deductible <i>waived for diagnostic and preventive care</i>	\$50 Individual / \$100 Family	
Diagnostic and Preventive Services <i>e.g., cleanings, oral exams</i>	Covered in full	Covered in full
Basic Services <i>e.g., fillings, root canals</i>	You pay 20% after deductible	You pay 20% after deductible
Major Services <i>e.g., crowns, dentures</i>	You pay 35% after deductible	You pay 35% after deductible
Orthodontic Services	You pay 50%	You pay 50%
Calendar Year Annual Maximum Benefit	\$1,500 per family member	
Orthodontic Lifetime Maximum	\$1,500 per family member	
Your Cost of Coverage		
The semi-monthly payroll deductions listed below apply to Dental coverage in effect from January 1, 2018 through December 31, 2018. The deductions listed below are based on 24 pay checks per year. If you are a 10-month employee and elected to receive 20 pay checks per year, Reserve Deduction amounts will also apply.		
<b>Individual Coverage</b>		
30 – 40 hours		\$ 14.60
15 – 29 hours		\$ 18.51
<b>Individual + Spouse Coverage</b>		
30 – 40 hours		\$ 28.55
15 – 29 hours		\$ 36.20
<b>Individual + Child(ren) Coverage</b>		
30 – 40 hours		\$ 29.35
15 – 29 hours		\$ 37.22
<b>Family Coverage</b>		
30 – 40 hours		\$ 42.51
15 – 29 hours		\$ 53.90

\* You may also be responsible for the full amount an out-of-network dentist charges in excess of the fee schedule.

## Vision Coverage at a Glance (2018 Plan Year)

Vision Service Plan (VSP)	In-Network	Out-of-Network
Service / Feature	You Pay	You Receive
Provider Network	VSP Signature Network	n/a
WellVision Exam <i>(every calendar year)</i>	\$10 copay	Reimbursement up to \$52
Lenses <i>(every calendar year)</i> <i>e.g., single vision, lined bifocal, lined trifocal</i>	\$20 copay	Reimbursement from \$55 to \$100
Frame <i>(every calendar year)</i>	\$150 allowance	Reimbursement up to \$70
Contacts <i>(instead of glasses, every calendar year)</i>	\$150 allowance	Reimbursement up to \$105
<b>Your Cost of Coverage</b>		
The semi-monthly payroll deductions listed below apply to Vision coverage in effect from January 1, 2018 through December 31, 2018. The deductions listed below are based on 24 pay checks per year. If you are a 10-month employee and elected to receive 20 pay checks per year, Reserve Deduction amounts will also apply.		
<b>Individual Coverage</b>		
30 – 40 hours		\$ 3.58
15 – 29 hours		\$ 3.58
<b>Individual + Spouse Coverage</b>		
30 – 40 hours		\$ 5.74
15 – 29 hours		\$ 5.74
<b>Individual + Child(ren) Coverage</b>		
30 – 40 hours		\$ 9.24
15 – 29 hours		\$ 9.24
<b>Family Coverage</b>		
30 – 40 hours		\$ 9.24
15 – 29 hours		\$ 9.24



**View the 2018 interactive  
Benefits Guide online.  
Go to [www.apsva.us/benefits](http://www.apsva.us/benefits)**







# Optional Supplemental Retirement Plan Employee Overview

## Voluntary Employee Contributions

Arlington Public Schools offers several voluntary retirement accounts to help you achieve your retirement goals:

**403(b) Plan and ROTH 403(b) Plan**      **457 Plan and ROTH 457 Plan\*\***

**Traditional 403(b) and 457 contributions are deducted on a pre-tax basis.**

Pay no taxes now on the money you invest, which lowers your taxable income right away.

**ROTH 403(b) and ROTH 457 deductions are post-tax payroll deductions.**

Pay taxes now on the money you invest, so you can enjoy a tax break later.

**These plans are offered through Lincoln Financial Group and AXA Advisors/PlanMember Services.**



*Lincoln Financial is the default vendor for APS. This means Lincoln will automatically establish an account in your name and employee contributions can start immediately. If you choose Lincoln as your vendor, APS encourages you to contact a Lincoln retirement consultant to discuss your retirement goals.*



*If you wish to select AXA Advisors/PlanMember Services as your vendor, you must first contact an APS AXA Advisors retirement consultant for assistance with establishing an account. See below for additional information.*

**Lincoln Financial and AXA Advisors retirement consultants are available to help you make the most of your plan participation so that you have a greater opportunity to enjoy the retirement you envision.**

**Go to [www.apsva.us/benefits/supplementalretirement](http://www.apsva.us/benefits/supplementalretirement) to:**

- view contact information for our local Lincoln Financial Group and AXA Advisors retirement consultants
- learn more about a traditional 403(b) plan and ROTH 403(b) plan
- learn the differences between a 403(b) plan and a 457 plan

**\*\*Important:** Voluntary employee contributions to your Hybrid 457 Deferred Compensation account and voluntary employee contributions to a Lincoln Financial 457 account and/or AXA Advisors/PlanMember 457 account all contribute to the IRS Basic Contribution 457 plan annual limit. The 2018 457 Basic Contribution limit is \$18,500. The limit may be higher for those employees eligible for age-based catch-up contributions.



## School Board Match Program

**Benefits-Eligible Employees** who contribute to an Arlington Public School's 403(b), ROTH 403(b), 457, or ROTH 457 account are eligible to receive an **APS School Board Match**.

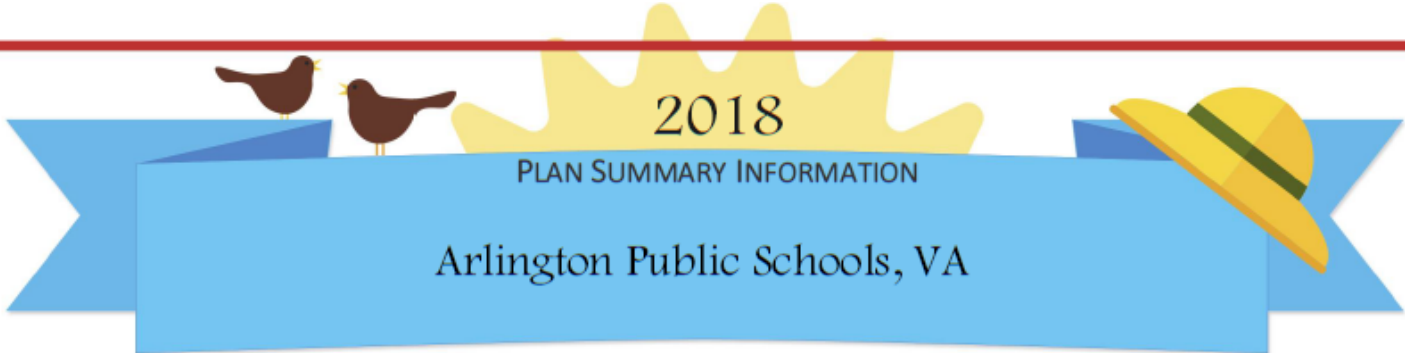
The APS School Board matches up to 0.4% of your base salary, **or** up to \$240 per year, **\*\*\***  
**whichever is greater.**

**\*\*\***(up to \$10/pay period if paid over 24 pays, or up to \$12/pay period if paid over 20 pays)

School Board Match contributions are made as **Employer Contributions** in the employee's name into a 403(b) account to the vendor (Lincoln Financial or AXA Advisors/PlanMember) you have chosen for your 403(b) or 457 account.

To review your School Board Match account,  
contact your vendor, Lincoln Financial or AXA Advisors/PlanMember, directly.  
Go to [www.apsva.us/benefits/supplementalretirement](http://www.apsva.us/benefits/supplementalretirement) to view vendor contact information.





2018

PLAN SUMMARY INFORMATION

Arlington Public Schools, VA

**403(b) Plan and 457(b) Deferred Compensation Plan**

The 403(b) and 457(b) Plans are valuable retirement savings options available through Arlington Public Schools, VA. This notice provides a brief explanation of the provisions, policies and rules that govern the 403(b) and 457(b) Plans.

Plan administration services for the 403(b) and 457(b) plans are provided by TSA Consulting Group, Inc. (TSACG). Visit the TSACG website ([tsacg.com](http://tsacg.com)) for information about enrollment in the plan, investment product providers available, distributions, exchanges or transfers, 403(b) and/or 457(b) loans, and rollovers.

**Eligibility**

All employees are eligible to participate in the 403(b) and 457(b) plans immediately upon employment, however, private contractors, appointed/elected trustees and/or school board members and student workers are not eligible to participate in the 403(b) Plan. Employees may make voluntary elective deferrals to both the 403(b) and 457(b) plans. Participants are fully vested in their contributions and earnings at all times.

**Employee Contributions**

Traditional 403(b) and 457(b)

Upon enrollment, participants designate a portion of their salary that they wish to contribute to their traditional 403(b) and/or 457(b) account(s) up to their maximum annual contribution amount on a pre-tax basis, thus reducing the participant's taxable income. Contributions to the participant's 403(b) or 457(b) accounts are made from income paid through the employer's payroll system. Taxes on contributions and any earnings are deferred until the participant withdraws their funds.

Roth 403(b) & 457(b) Contributions

Contributions made to a Roth account are after-tax deductions from your paycheck and are subject to limit coordination with traditional accounts. Income taxes are not reduced by contributions you make to your account. All qualified distributions from Roth accounts are tax-free. Any earnings on your deposits are not taxed as long as they remain in your account for five years from the date that your first Roth contribution was made. Roth 403(b) distributions may be taken if you are 59½ (subject to plan document provisions) or at separation from service, while Roth 457(b) distributions may be taken once you have separated from service.

The Internal Revenue Service regulations limit the amount participants may contribute annually to tax-advantaged retirement plans and imposes substantial penalties for violating contribution limits. TSACG monitors 403(b) plan contributions and notifies the employer in the event of an excess contribution.

**The 2018 Basic Contribution Limit for each plan is \$18,500.**

Additional provision allowed if selected by the employer:

**The Service-Based Catch Up Amount**

The 403(b) special catch-up provision allows participants to make additional contributions of up to \$3,000 to the 403(b) account if, as of the preceding calendar year, the participant has completed 15 or more full years of employment with the current employer, not averaged over \$5,000 per year in annual contributions, and has not utilized catch-up contributions in excess of the aggregate of \$15,000. For a detailed explanation of this provision, please visit <https://www.tsacg.com>.

**Age-Based Amount**

Participants who are age 50 or older any time during the year qualify to make an additional contribution of up to \$6,000 to the 403(b) and/or 457(b) accounts.

**Enrollment**

Employees who wish to enroll in the 403(b) and/or 457(b) plan must first select the provider and investment product best suited for their account. Upon establishment of the account with the selected provider, a "Salary Reduction Agreement" (SRA) form and/or a deferred compensation enrollment form and any disclosure forms must be completed and submitted to TSACG. These forms authorize the employer to withhold 403(b) and/or 457(b) contributions from the employee's pay and send those funds to the Investment Provider on their behalf. A SRA form and/or a deferred compensation enrollment form must be completed to start, stop or modify contributions to 403(b) and/or 457(b) accounts. Unless otherwise notified by your employer, you may enroll and/or make changes to your current contributions anytime throughout the year.

Please note: The total annual amount of a participant's contributions must not exceed the Maximum Allowable Contribution (MAC) calculation. For convenience, a MAC calculator is available on the Internet at [www.tsacg.com](http://www.tsacg.com).

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## Investment Provider Information

A current list of authorized 403(b) and 457(b) Investment Providers and current employer forms are available on the employer's specific Web page at [www.tsacg.com](http://www.tsacg.com).

## Plan Distribution Transactions

Distribution transactions may include any of the following depending on the employer's Plan Document: loans, transfers, rollovers, exchanges, hardships, unforeseen financial emergency withdrawals or distributions. Participants may request these distributions by completing the necessary forms obtained from the provider and plan administrator as required. All completed forms should be submitted to the plan administrator for processing.

## 403(b) and 457(b) Plan Loans

Participants may be eligible to borrow their 403(b) and/or 457(b) plan accumulations depending on the provisions of their 403(b) and/or 457(b) account contract and provisions of the employer plan. If loans are available, they are generally granted for a term of five years or less (general-purpose loans). Loans taken to purchase a principal residence can extend the term beyond five years depending on the provisions of their 403(b) and/or 457(b) account contract and provisions of the employer. Details and terms of the loan are established by the provider. Participants must repay their loans through monthly payments as directed by the provider. Prior to taking a loan, participants should consult a tax advisor.

## Plan-to-Plan Transfers

A plan-to-plan transfer is defined as the movement of a 403(b) and/or 457(b) account from a previous plan sponsor's plan and retaining the same account with the authorized investment provider under the new plan sponsor's plan.

## Rollovers

Participants may move funds from one qualified plan account, i.e. 403(b) account, 401(k) account or an IRA, to another qualified plan account at age 59½ or when separated from service. Rollovers do not create a taxable event.

## Distributions

Retirement plan distributions are restricted by IRS regulations. A participant may not take a distribution of 403(b) plan accumulations without penalty unless they have attained age 59½ or separated from service in the year in which they turn 55 or older. Generally, a distribution cannot be made from a 457(b) account until you have a severance from employment, reach age 70½, or are deceased. In most cases, any withdrawals made from a 403(b) or 457(b) account are taxable in full as ordinary income.

## Exchanges

Within each plan, participants may exchange account accumulations from one investment provider to another investment provider that is authorized under the same plan; however, there may be limitations affecting exchanges, and participants should be aware of any charges or penalties that may exist in individual investment contracts prior to exchange. Exchanges can only be made from one 457(b) plan to another 457(b) plan, or from one 403(b) plan to another 403(b) plan.

## Hardship Withdrawals

Participants may be able to take a hardship withdrawal in the event of an immediate and heavy financial need. According to IRS Safe Harbor regulations, to be eligible for a hardship withdrawal, a participant must have exhausted all other available financial resources. The eligibility requirements to receive a Hardship withdrawal are provided on the Hardship Withdrawal Disclosure form at [www.tsacg.com](http://www.tsacg.com). After receiving a hardship withdrawal, the participant may not make voluntary contributions to any employer sponsored retirement plan for a period of six months.

## Unforeseen Financial Emergency Withdrawal

You may be able to take a withdrawal from your 457(b) account in the event of an unforeseen financial emergency. An unforeseeable emergency is defined as a severe financial hardship of the participant or beneficiary. The eligibility requirements to receive a Unforeseen Financial Emergency Withdrawal are provided on the Unforeseen Financial Emergency Withdrawal Disclosure form at [www.tsacg.com](http://www.tsacg.com).

## Employee Information Statement

Participants in defined contribution plans are responsible for determining which, if any, investment vehicles best serve their retirement objectives. The 403(b) and 457(b) plan assets are invested solely in accordance with the participant's instructions. The participant should periodically review whether his/her objectives are being met, and if the objectives have changed, the participant should make the appropriate changes. Careful planning with a tax advisor or financial planner may help to ensure that the supplemental retirement savings plan meets the participant's objectives.



## Plan Administrator Contact Information

TSA CONSULTING GROUP

website:

[www.tsacg.com](http://www.tsacg.com)

### SRA Forms or Transactions

P.O. Box 4037

Ft. Walton Beach, FL 32549

Toll-free: 1-888-796-3786

Toll-free fax: 1-866-908-7582

### For overnight deliveries

73 Eglin Parkway NE, Suite 302

Ft. Walton Beach, FL 32548

Toll-free: 1-888-796-3786

Toll-free fax: 1-866-741-0645



# Virginia Retirement System

## Plan Overview for Hybrid Plan Participants

### Who participates in the VRS Hybrid Retirement Plan?

Benefits-eligible employees with no previous VRS service credit, whose VRS membership date is on or after January 1, 2014, are automatically enrolled as Hybrid Plan members. Your mandatory employee contributions are made through pre-tax payroll deductions.

### What is a Hybrid Plan?

The Hybrid Plan combines the features of a **Defined Benefit (DB)** plan and a **Defined Contribution (DC)** plan.

## Mandatory Employee Contributions

All employees enrolled in the Virginia Retirement System (VRS) contribute **5%** of their salary to VRS.

As a **VRS Hybrid Plan Participant**, **4%** of your contribution funds your **Defined Benefit (DB)** plan, and **1%** funds your **Defined Contribution (DC)** plan



**Defined Benefit (DB) Plan**  
(Pension Benefit)

**4%** of your salary is **your mandatory employee contribution** to your VRS Defined Benefit (DB) plan.

This deduction is listed as **VRS EE SHARE** on your APS payroll summary.

#### Defined Benefit:

- Provides the foundation of your future retirement benefit when you qualify
- Pays a monthly retirement benefit based on age, total service credit, and average final compensation
- VRS manages the investments and related risks for this component
- Visit [www.varetire.org/hybrid](http://www.varetire.org/hybrid) to view your member account online and learn more information about the Defined Benefit component. You may also call VRS at 1-855-291-2285.



(plan recordkeeper)



Virginia Retirement System  
(plan name)

**Defined Contribution (DC) Plan**  
(Tax-Deferred Savings Plan)

**1%** of your Salary is **your mandatory contribution** to your VRS Defined Contribution (DC) plan. **\*\***

This payroll deduction is listed as **VRS DC 401A** on your APS payroll summary.

#### Defined Contribution:

- Provides a tax-deferred savings plan to build on your benefit from the Defined Benefit component
- Pays a retirement benefit based on contributions by you and APS to the plan and the investment performance of those contributions
- You can manage the investments and related risk
- Visit [www.varetire.org/hybrid](http://www.varetire.org/hybrid) to view your Hybrid 401(a) Cash Match account online, or call ICMA-RC at 1-877-327-5261.

**\*\***APS contributes a mandatory 1% match to your Hybrid 401(a) Cash Match account.

$$\text{Your } 5\% \text{ Mandatory Employee Contribution} =$$





# Virginia Retirement System Plan Overview for Hybrid Plan Participants

## Voluntary Employee Contributions

As a Virginia Retirement System (VRS) **Hybrid Plan Participant**, **you can save additional money** (up to 4% of your annual salary) deposited into a Voluntary Hybrid 457 Deferred Compensation account. **\*\***

You will receive an employer match on your voluntary employee contributions. For example, if you elect the maximum voluntary contribution (4%), you will receive 2.5% of your annual salary in matching funds from APS. (see below *Contribution Table*)

Voluntary Employee Contribution to your Hybrid 457 Deferred Compensation Account									
If you contribute	0.00%	0.50%	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%	4.00%
Employer Matching Contribution to your Hybrid 401(a) Cash Match Account									
You will receive	0.00%	0.50%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%

If you make a voluntary election, the deduction is listed as **VRS DC OPT** on your APS payroll summary.

**Hybrid Plan Members work directly with ICMA-RC (the plan recordkeeper) to initiate voluntary contributions.**

To get started, create your account online at [www.varetire.org/hybrid](http://www.varetire.org/hybrid), or call ICMA-RC at 1-877-327-5261.

Elections or changes to voluntary contributions go into effect on the 1<sup>st</sup> pay check of the next calendar quarter. Also, local ICMA-RC retirement specialists are available to assist you with any questions you have related to your Hybrid 457 and Hybrid 401(a) accounts, including understanding investment options and managing your contributions.

Visit [www.varetire.org/hybrid](http://www.varetire.org/hybrid) to view the upcoming quarterly deadline and view contact information for your local ICMA-RC Retirement Specialists.

### Auto-Escalation of Member's Voluntary Contributions

The Hybrid Retirement Plan was designed with an auto-escalation feature. Every three years, members' voluntary contributions to their Hybrid 457 Deferred Compensation account will automatically increase by 0.5 percent (via payroll deduction) until reaching the maximum 4%. **The next automatic escalation takes place January 1, 2020.**

**\*\*Important:** Voluntary employee contributions to your Hybrid 457 Deferred Compensation account and voluntary employee contributions to a Lincoln Financial 457 account and/or AXA Advisors/PlanMember 457 account all contribute to the IRS Basic Contribution 457 plan annual limit. The 2018 457 Basic Contribution limit is \$18,500. The limit may be higher for employees eligible for age-based catch-up contributions.

