

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 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.

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(plan recordkeeper)



(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 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.

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**Your
5%
Mandatory
Employee
Contribution**



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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, or call ICMA-RC at 1-877-327-5261.

Elections or changes to voluntary contributions go into effect on the 1st 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 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.

