

VRS Update

Virginia Retired Teachers Association (VRTA)

April 16, 2024

Presented by
Patricia S. Bishop, VRS Director



Greetings from the Board of Trustees



Lindsey K. Pantele serves as an assistant principal in Henrico County.

Ms. Pantele is at school today, but she has provided a special video message for VRTA members.

- Undergraduate and graduate degrees from Christopher Newport University, 2009 and 2010
- \$12,000 R.E.B. Award for Teaching Excellence, 2017
- National Board Certification, 2019
- Henrico County Public Schools' Teacher of the Year, 2020

Agenda



- VRS Overview
- Investments Update
- Contribution Rates
- Benefit News
- Resources for You





Serving those
who serve others

Our mission is to deliver retirement and other benefits to Virginia public employees through sound financial stewardship and superior customer service.



Helping members plan
for tomorrow, today

VRS is the **14th largest** public pension system in the **U.S.**



VRS serves **more than 800,000** members, retirees and beneficiaries

VRS is the **42nd largest** public pension system in the **world**



VRS Total Membership as of June 30, 2023



	Plan 1	Plan 2	Hybrid	Total
Teachers	55,568	26,901	71,682	154,151
Political Subdivision Employees	31,794	31,047	50,598	113,439
State Employees	24,761	12,585	39,172	76,518
State Police Officers' Retirement System (SPORS)	919	949	—	1,868
Virginia Law Officers' Retirement System (VaLORS)	1,858	5,561	—	7,419
Judicial Retirement System (JRS)	141	42	273	456
Total Active Members	115,041	77,085	161,725	353,851

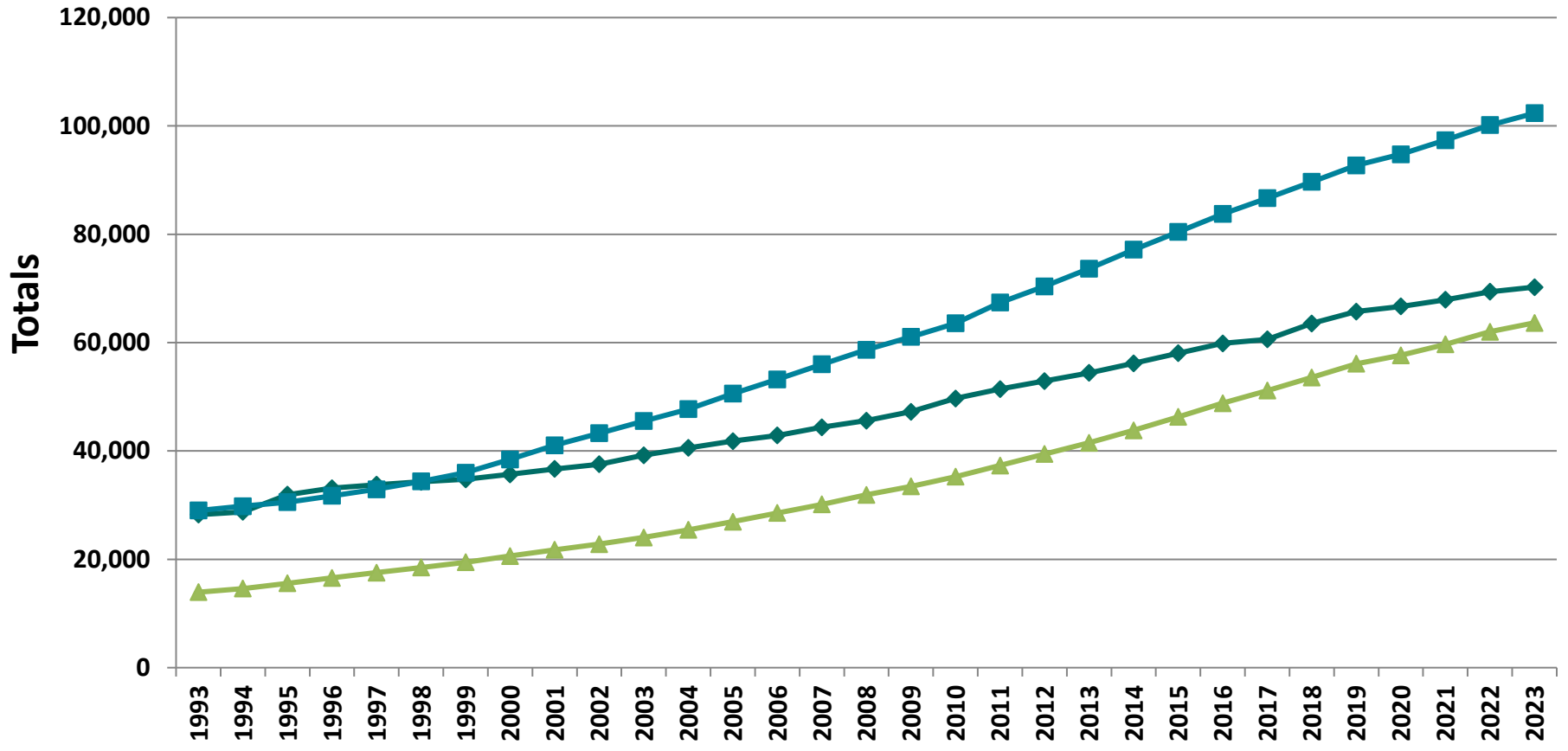
Total Active Members
353,851

Retirees/Beneficiaries
239,733

Inactive/Deferred Members
207,642

VRS Total Population
801,226

Retirees – VRS Retirement Plans



As of June 30, 2023

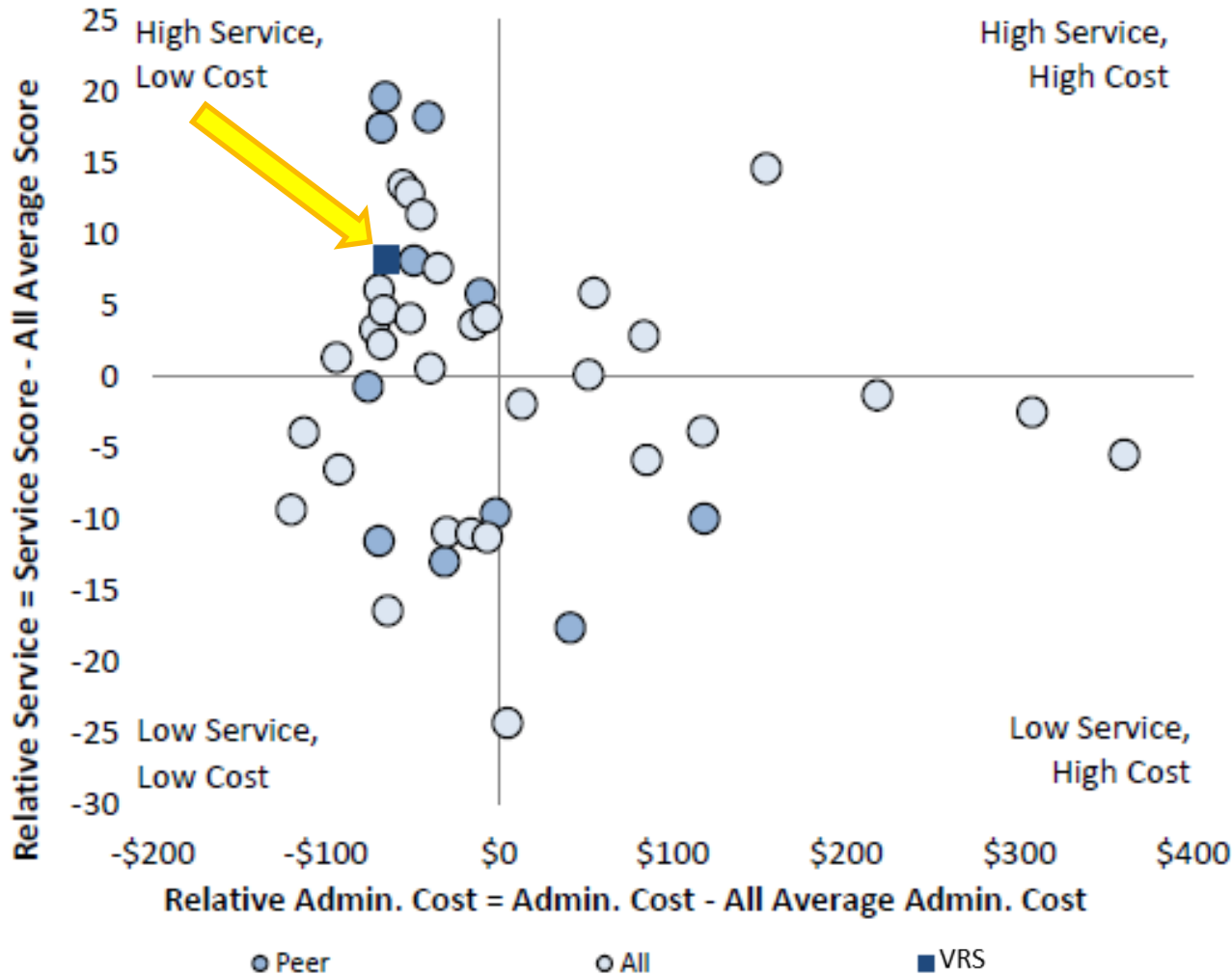
Fiscal Year

◆ State/SPORS/VaLORS/JRS ■ Teachers ▲ Localities in Aggregate

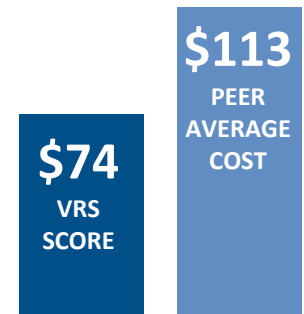
Counts do not include surviving spouse or beneficiaries receiving benefits.

Service-Cost Relationship

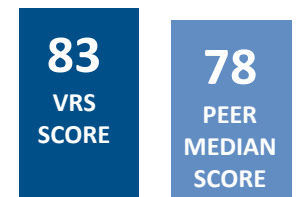
Relationship between VRS service and pension administration cost



Pension Administration Cost



Total Service Score



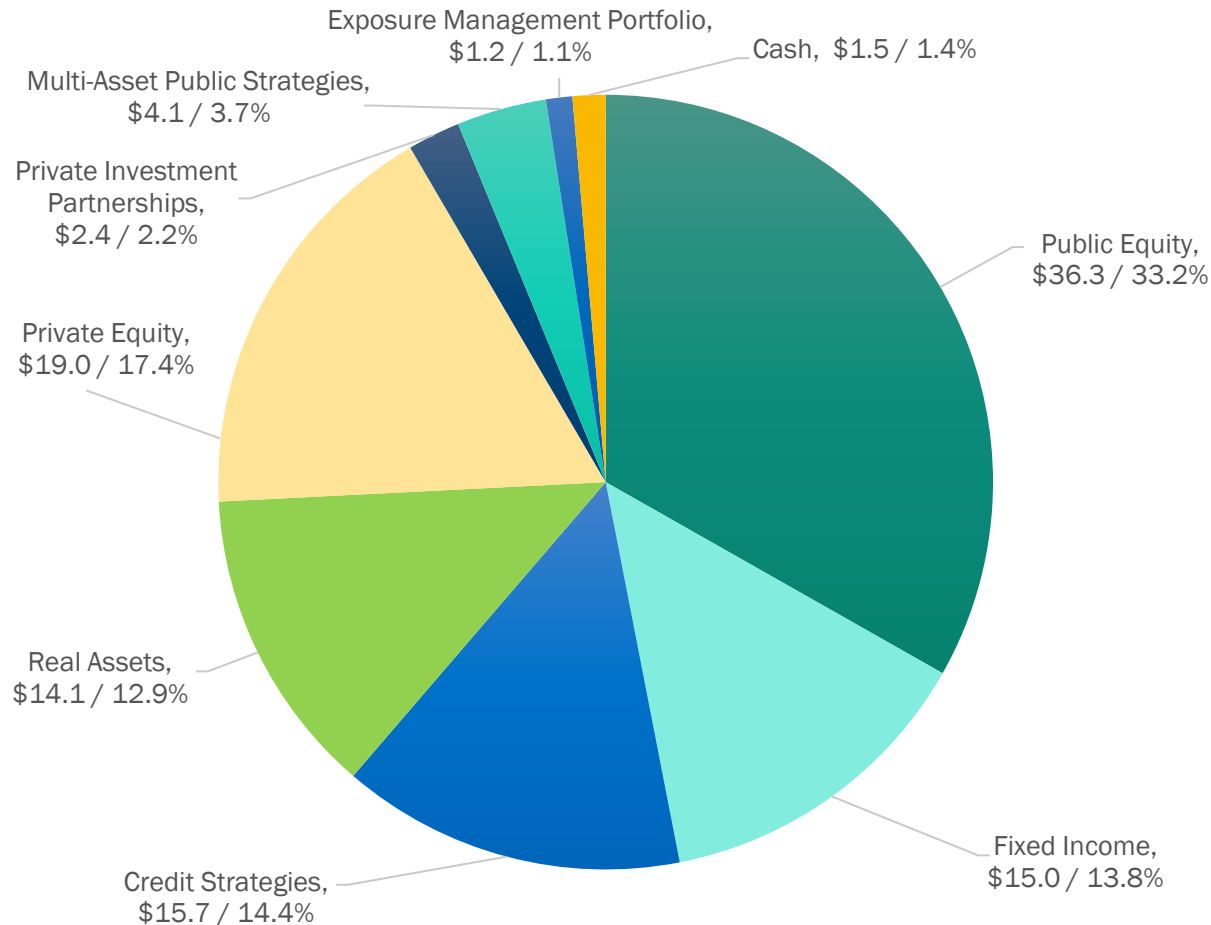
K.C. Howell

- Managing Director, Private Assets
- Oversees a team of 20 investment professionals with four direct reports
 - Has served VRS in a series of various investment functions with increasing responsibilities over 25 years
- Chartered Financial Analyst (CFA)
- Education:
 - M.B.A., The College of William & Mary
 - B.S., Christopher Newport University
 - A.S., Thomas Nelson Community College



Asset Allocation as of December 31, 2023

Total Fund Market Value = \$109.2 billion (Dollar Amounts in Billions/Percent of Total Fund)



Differences in totals are due to rounding.

Source: Bank of New York Mellon

VRS' Long-Term Investment Strategy



Visit varetire.org/investments

VRS Invests for the Long Term

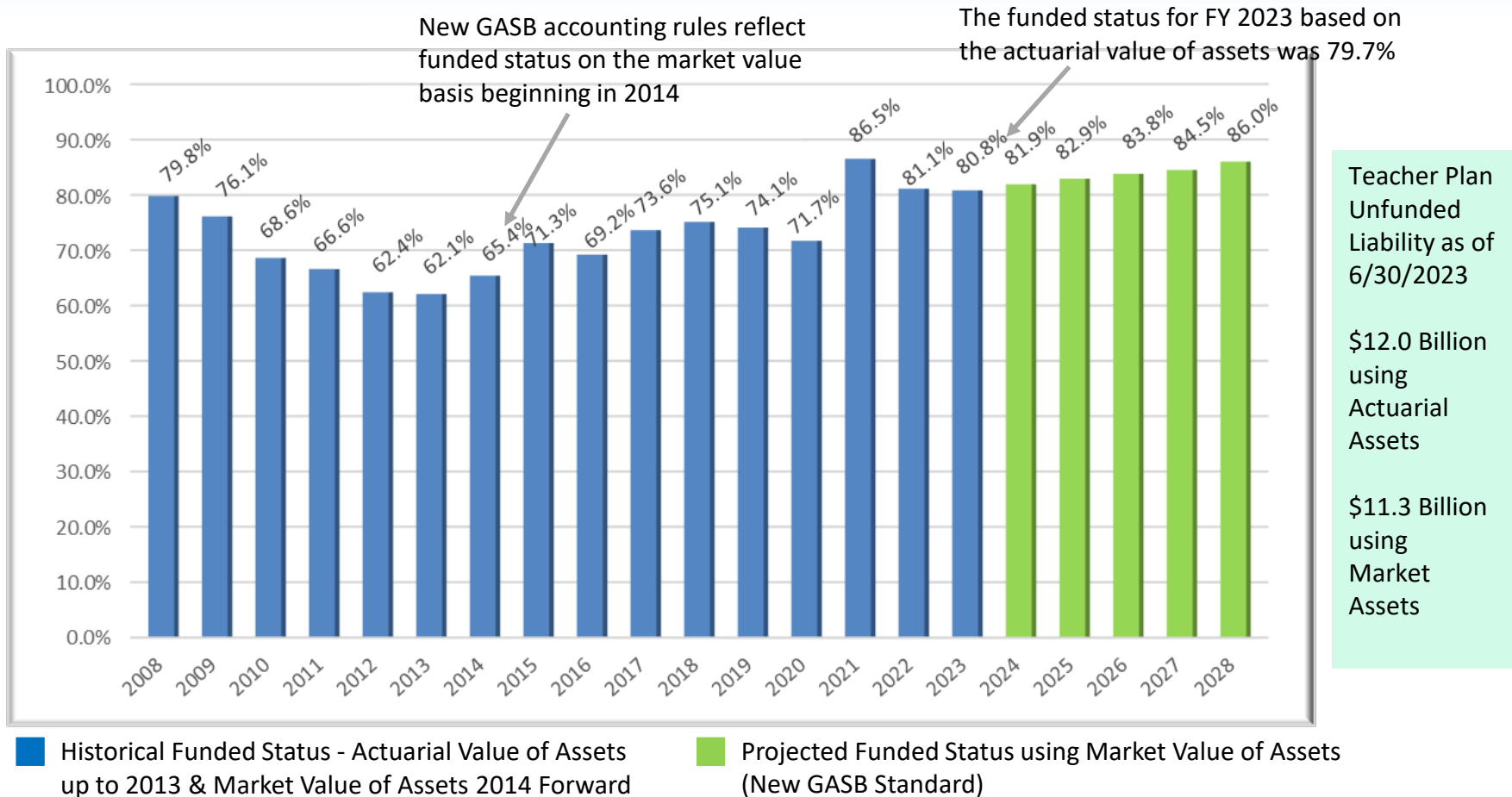
	VRS Return (as of December 31, 2023)
1-year	10.2%
3-year	7.4%
5-year	9.5%
10-year	7.7%
15-year	9.0%
20-year	7.4%
25-year	6.8%

Source: Bank of New York Mellon

Funded Status



Funded Status: Teachers



Notes:

- Projected funded status based on assumed investment returns of 6.75% and inflation of 2.5%.
- GASB Accounting rules reflect funded status using Market Value of Assets effective 6/30/14 for Plan Reporting and 6/30/15 for Employer Reporting.

Benefit News



2024 Cost-of-Living Adjustment (COLA)

3.56%

Plan 1 COLA

3.00%

Plan 2 & Hybrid COLA

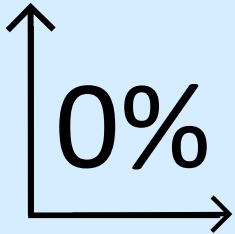
These are effective July 1, 2024.

The increase will be included in the August 1 benefit payment of eligible retirees.

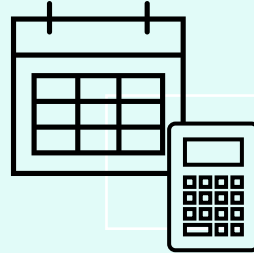
The Code of Virginia :

- Requires VRS to **determine the COLA** annually.
- **Sets the method** for the calculation and **caps the annual COLA** for retirees at:
 - a **3% maximum** for Plan 2 and Hybrid Retirement Plan members
 - a **5% maximum** for Plan 1 members

2024 Cost-of-Living Adjustment (COLA)



During years of zero inflation or deflation, no COLA is provided.



May not match the annual inflation rate because it is an average of the monthly rates of inflation for the year per the *Code*.



Assists retirees with rising costs.



Virginia is one of the few state pension systems required by statute to review the COLA annually. Most are provided on an ad hoc basis.

Group Life Insurance Minimum

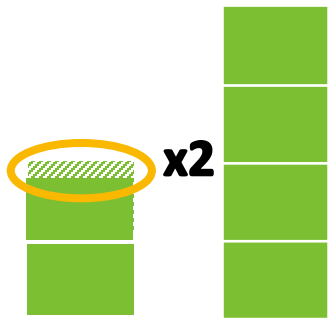


The Group Life Insurance Program minimum benefit for members retired with at least 30 years of service will be increased to **\$9,532**, effective July 1, 2024.

Group Life Insurance in Retirement



- Retirement: March 1, 2022
- **Creditable compensation at retirement: \$49,780**



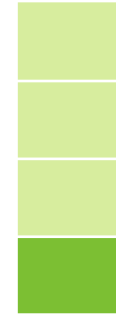
Calculation:
\$49,780 rounded to \$50,000, then **doubled** to equal \$100,000



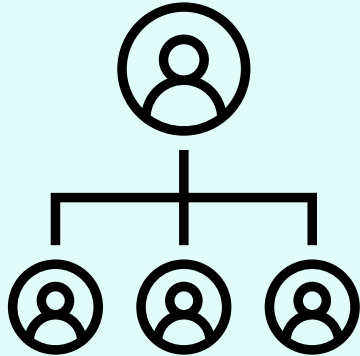
- **First 25% reduction:** January 1, 2024
- Coverage: **\$75,000**



- **Second 25% reduction:** January 1, 2025
- Coverage: **\$50,000**



- **Final reduction:** January 1, 2026
- Coverage: **\$25,000** for the rest of your retirement



Always
**keep your beneficiaries
up to date!**



Use myVRS to update your
beneficiaries at any time

For DC plan accounts, use
Account Access to name
and manage your
beneficiaries.



The VRS Counseling Center will move to Reynolds Crossing on West Broad Street near I-64 later this year.

The new location offers:

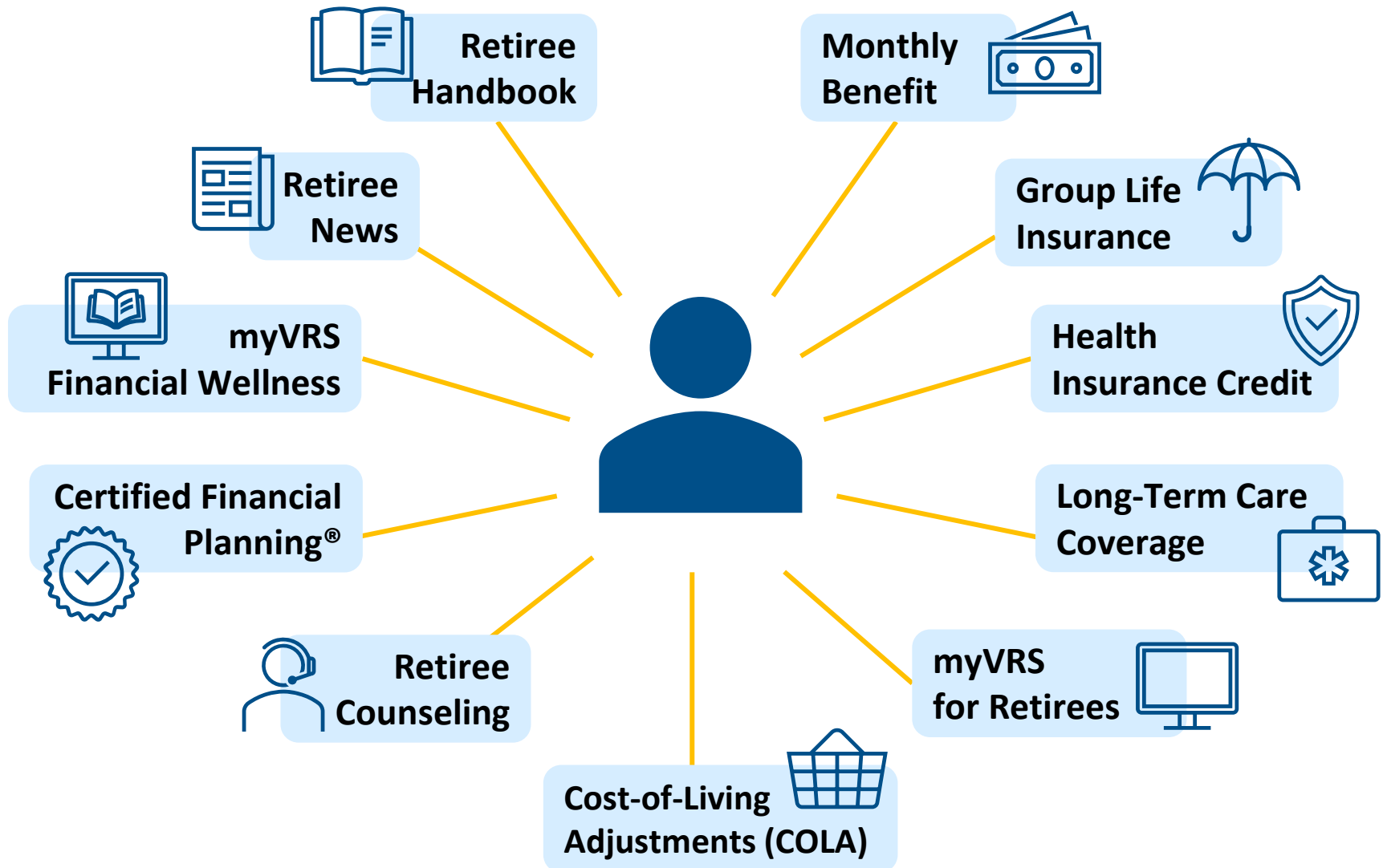
- Ample and convenient free parking
- Proximity to public transportation
- Accessibility for those with disabilities

Watch for more details to come!

Resources for You



Retiree Benefits and Resources



What's Your Story?

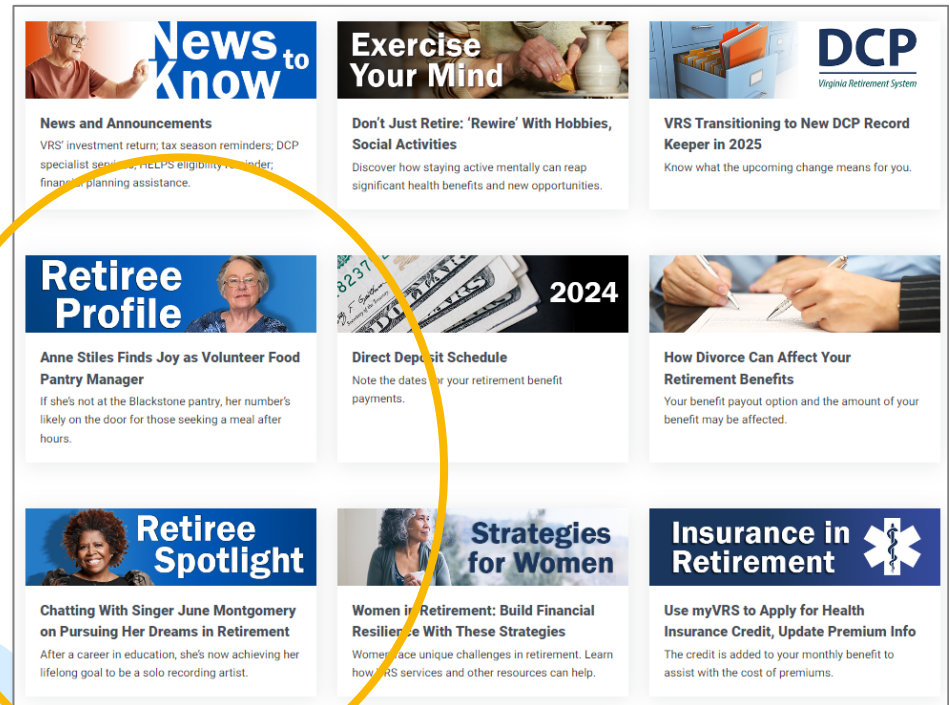
You have an interesting story.
Share it with other retirees!

Contact VRS at proffice@varetire.org
with your unique retirement
experiences or advice
about life in retirement.

You might become one
of our featured retirees!

Here's how you can receive
Retiree News delivered to your inbox:

- Log into your **myVRS** account and select **Update Profile**.
- Select **Edit**, then **Retiree News Preference** and change it to **Online**.



News Know to
News and Announcements
VRS' investment return; tax season reminders; DCP specialist services; HELPS eligibility; and other financial planning assistance.

Exercise Your Mind
Don't Just Retire: 'Rewire' With Hobbies, Social Activities
Discover how staying active mentally can reap significant health benefits and new opportunities.

DCP
Virginia Retirement System
VRS Transitioning to New DCP Record Keeper in 2025
Know what the upcoming change means for you.

Retiree Profile
Anne Stiles Finds Joy as Volunteer Food Pantry Manager
If she's not at the Blackstone pantry, her number's likely on the door for those seeking a meal after hours.

2024
Direct Deposit Schedule
Note the dates for your retirement benefit payments.

How Divorce Can Affect Your Retirement Benefits
Your benefit payout option and the amount of your benefit may be affected.

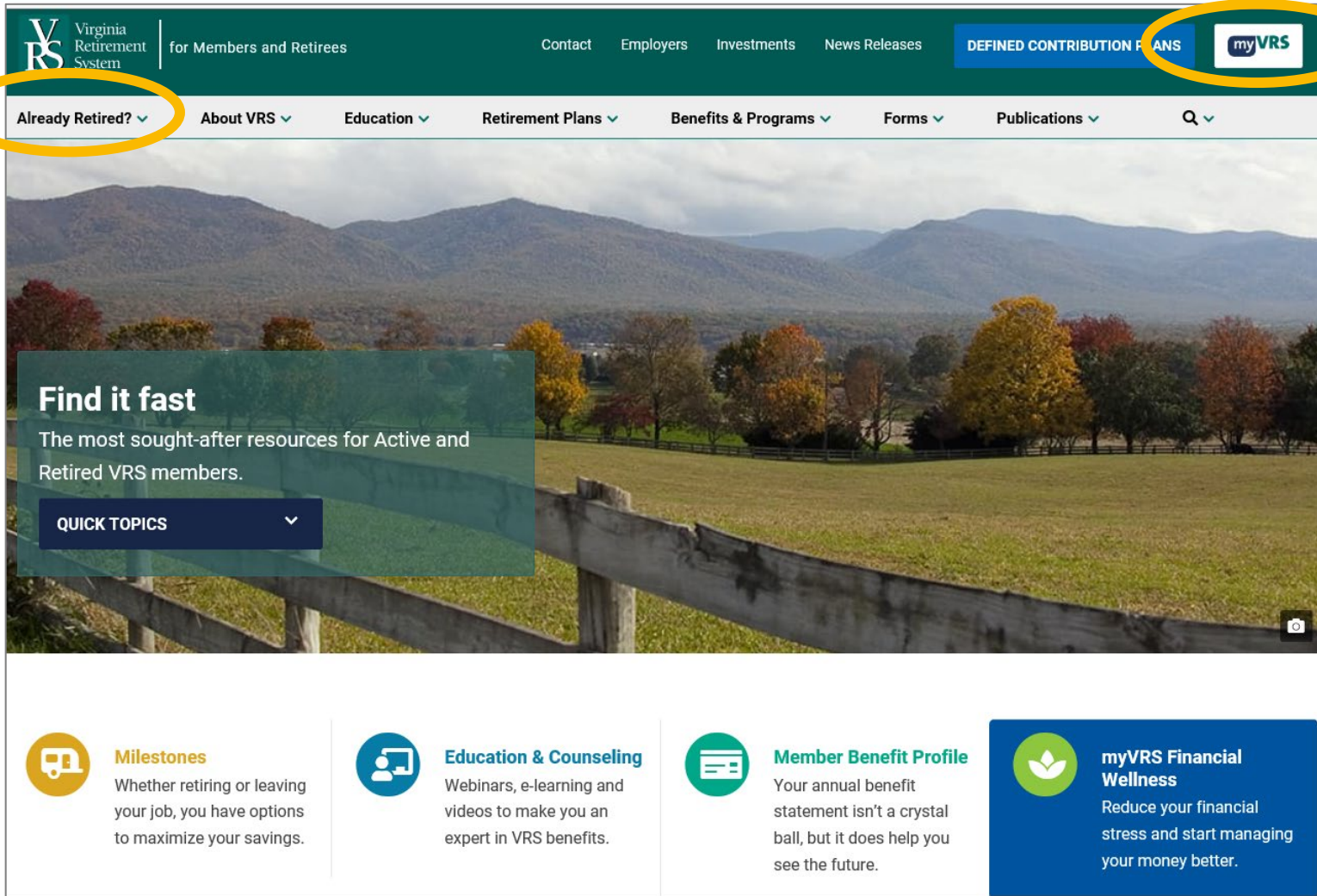
Retiree Spotlight
Chatting With Singer June Montgomery on Pursuing Her Dreams in Retirement
After a career in education, she's now achieving her lifelong goal to be a solo recording artist.

Strategies for Women
Women in Retirement: Build Financial Resilience With These Strategies
Women face unique challenges in retirement. Learn how VRS services and other resources can help.

Insurance in Retirement
Use myVRS to Apply for Health Insurance Credit, Update Premium Info
The credit is added to your monthly benefit to assist with the cost of premiums.

Visit news.varetire.org/retiree-news
for profiles, news and much more!

VRS Website and Social Media



The screenshot shows the VRS website homepage. The top navigation bar is dark green with the VRS logo and 'Virginia Retirement System for Members and Retirees' on the left. On the right, there are links for 'Contact', 'Employers', 'Investments', 'News Releases', and 'DEFINED CONTRIBUTION PLANS'. A 'myVRS' button is highlighted with a yellow circle. Below the navigation bar is a white menu with 'Already Retired?' (highlighted with a yellow circle), 'About VRS', 'Education', 'Retirement Plans', 'Benefits & Programs', 'Forms', 'Publications', and a search icon. The main content area features a large landscape image of a field with mountains in the background. A dark green overlay on the left contains the text 'Find it fast' and 'The most sought-after resources for Active and Retired VRS members.' Below this is a 'QUICK TOPICS' dropdown menu. At the bottom, there are four service tiles: 'Milestones' (with a yellow icon), 'Education & Counseling' (with a blue icon), 'Member Benefit Profile' (with a green icon), and 'myVRS Financial Wellness' (with a green icon and a blue background).



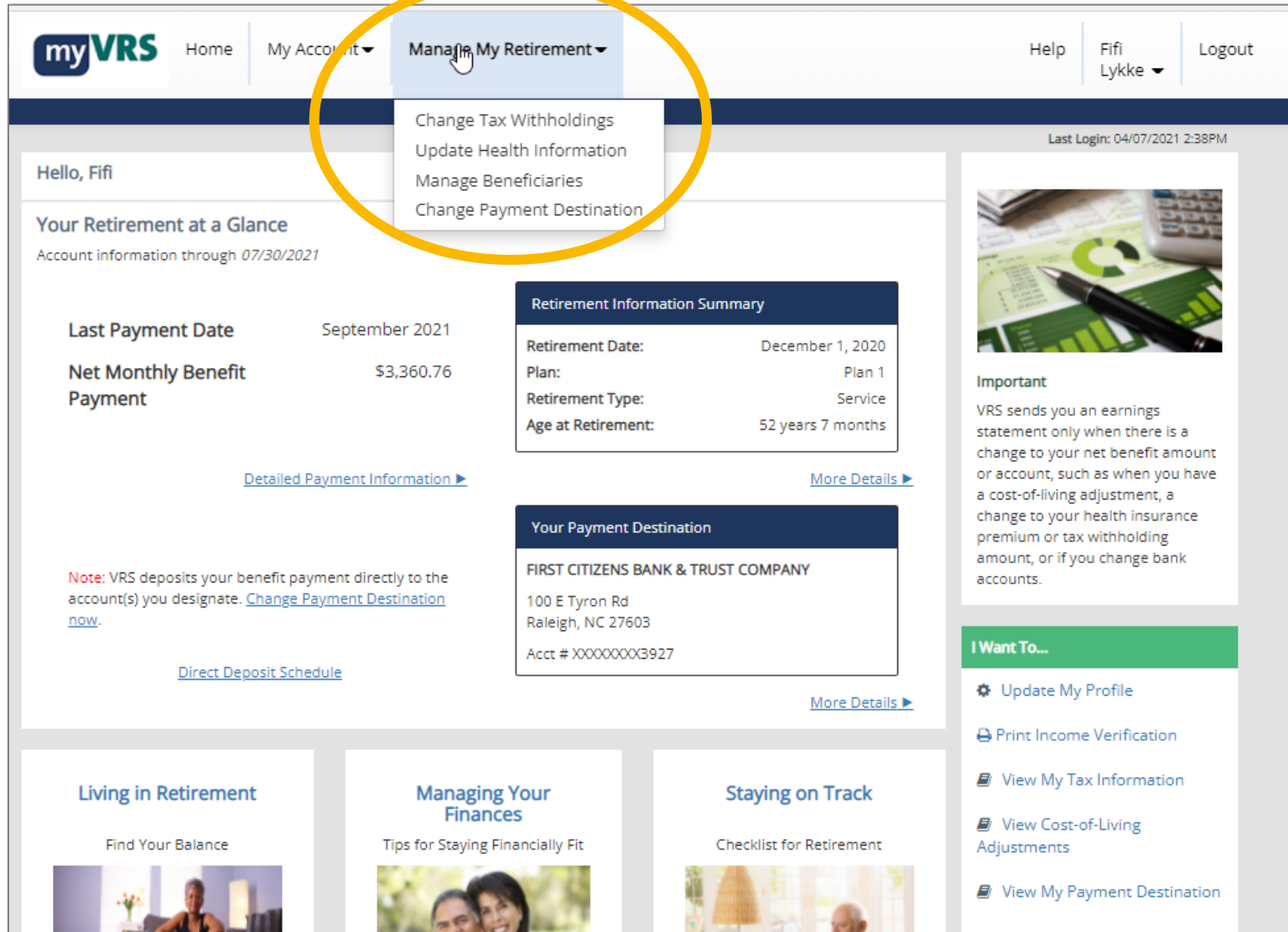
Facebook



LinkedIn

varetire.org

myVRS for Retirees



myVRS Home My Account **Manage My Retirement** Help Fifi Lykke Logout

Hello, Fifi

Your Retirement at a Glance
Account information through 07/30/2021

Last Payment Date	September 2021
Net Monthly Benefit Payment	\$3,360.76

[Detailed Payment Information](#)

Note: VRS deposits your benefit payment directly to the account(s) you designate. [Change Payment Destination now.](#)

[Direct Deposit Schedule](#)

Retirement Information Summary

Retirement Date:	December 1, 2020
Plan:	Plan 1
Retirement Type:	Service
Age at Retirement:	52 years 7 months

[More Details](#)

Your Payment Destination

FIRST CITIZENS BANK & TRUST COMPANY
100 E Tyron Rd
Raleigh, NC 27603
Acct # XXXXXXXX3927

[More Details](#)

Important
VRS sends you an earnings statement only when there is a change to your net benefit amount or account, such as when you have a cost-of-living adjustment, a change to your health insurance premium or tax withholding amount, or if you change bank accounts.

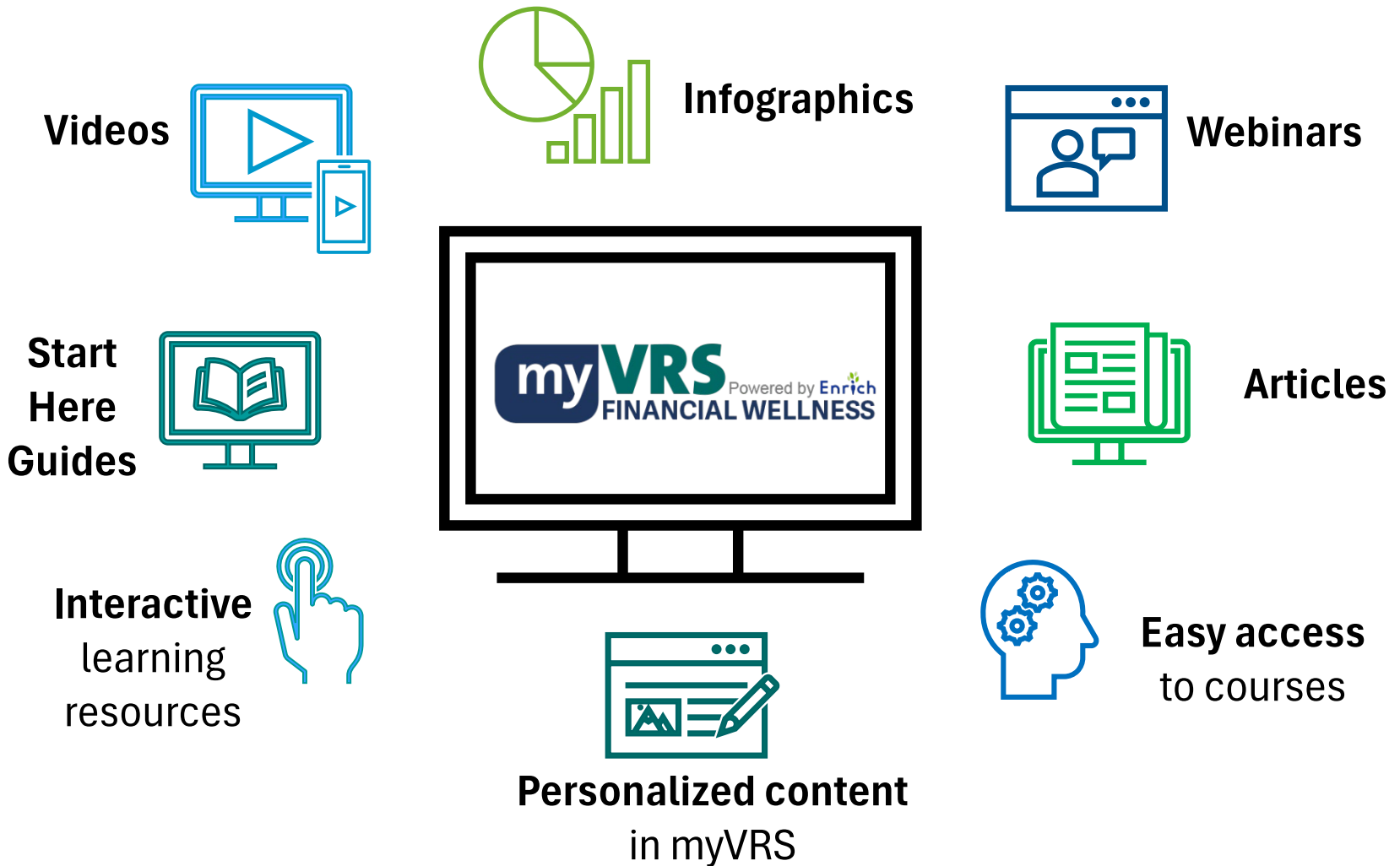
I Want To...

- Update My Profile
- Print Income Verification
- View My Tax Information
- View Cost-of-Living Adjustments
- View My Payment Destination

Living in Retirement
Find Your Balance

Managing Your Finances
Tips for Staying Financially Fit

Staying on Track
Checklist for Retirement



- CFP® complements the existing myVRS Financial Wellness program.
- Available to **all** VRS members and retirees, regardless of participation in a DC plan, through MissionSquare Retirement.
- Dedicated financial planners for VRS membership; no investment advice provided.



Meet with a CFP® Professional

- Free consultation
- Comprehensive view of your financial situation and overall financial wellness
- Your spouse or loved one may join the conversation

Attend a Live Financial Planning Webinar

Free webinars with CFP® professionals to address your education needs as you journey through retirement

varetire.org/make-a-plan

Organize Your Personal Information



Get Organized Your inventory of personal assets, expenses and documents

Organizing your personal assets, expenses and documents is a priority, regardless of your age. If you are injured, become ill or die suddenly, organized personal records will be helpful for those who must handle your household, legal and financial matters. Use this inventory to help you get organized. Update and review periodically with your loved ones.

Points to Consider
This inventory is a starting point. Some items listed here may not apply to you. Others may require extensive documentation.

- With key details in one place, your executor and/or your survivors can take care of your property and resolve legal and financial matters.
- Include any document that might be useful information for your executor and survivors.
- Ensure that sensitive personal information is kept in a secure place and not shared on a need-to-know basis with trusted contacts, such as your attorney or executor.
- Authorize a trusted person to discuss your account information with VRS representatives (VRS-900 or completed and the VRS Durables Power of Attorney (VRS-901) to allow an individual to take action on your behalf.
- Refer to the VRS website, www.vrs.virginia.gov, for more information.
- Contact VRS to determine what your available benefits. The counseling center is open Monday-Friday, 8:30 a.m. - 4 p.m. (888) 627-3847.
- Contact www.vrs.virginia.gov for counseling on federal contributions and Pension Services is open Monday-Friday, 8:30 a.m. - 4 p.m. VRS DCL PLAN 807-725-1251, select option 1 or 10 (800) 888-7471.

If you are a VRS member or retiree:

- Visit www.vrs.virginia.gov for information, publications and forms referenced here.
- Log into your myVRS account at www.vrs.virginia.gov/myvrs for online services to your retirement benefit information.
- Keep your beneficiary information current with these forms, available at www.vrs.virginia.gov:
 - o [Designation of Beneficiary](#) (benefit beneficiary plan (VRS-2))
 - o [Designation of Beneficiary](#) (unfunded contribution plan, if you participate)

Get Organized: Your inventory of personal assets, expenses and documents

Losing a Loved One: Guide for Families

Help with your next steps to claim VRS benefits

AUTHORIZATION TO DISCUSS VRS ACCOUNT INFORMATION

VIRGINIA RETIREMENT SYSTEM
P.O. Box 2068 • Richmond, Virginia 23218-2068
Tel: 800-888-6275 (TDD) • 800-888-7471
www.vrs.virginia.gov

1. Social Security Number _____
2. Home Phone Number _____

Complete this form to allow Virginia Retirement System (VRS) representatives to speak to the individual(s) you list below regarding your benefits and VRS and your account information. The named individual(s) may only discuss your benefits and account information. They may not take actions that affect your account.

Name: Complete this form and allow VRS representatives to discuss the following types of information with anyone else that the member, with respect to such health matters, provides the following information, or details of Allowed Document Distribution Order: "I allow individuals to take actions on my behalf," you may prefer to complete a VRS Durable Power of Attorney (VRS-901), which is available on the VRS website at www.vrs.virginia.gov.

Important information:

- This authorization expires two years from the date of the original signature.
- You do not need to complete this form if a Durable Power of Attorney is on file at VRS.

PART A. MEMBER INFORMATION

1. Name: _____ (Print member name)
2. Address: _____ (Street, City, State and Zip)
3. Member Status: Retiree Member Other; please explain: _____

PART B. AUTHORIZATION OF INDIVIDUALS

List the individual(s) to whom VRS representatives may speak regarding your VRS retirement benefits and account information.

Individual's Full Name	Relationship to You	Last Date of Birth	Birth Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

I hereby authorize VRS representatives to discuss information about my VRS retirement benefits and member account information with the individual(s) named above. I understand this authorization expires two years from the date of my signature below.

Signature: _____
City/County of: _____
Date: _____
The member above must be signed above, generally appears to be who he/she is, and is not under any legal disability or restriction from doing so. If the member is not the member named in the authorization, the member must be the authorized agent of the member named in the authorization.

Signature: _____
City/County of: _____
Date: _____

VRS-900 (Rev. 02/11)

VRS-900: Authorization to Discuss VRS Account Information

VRS-901: VRS Durable Power of Attorney

VIRGINIA RETIREMENT SYSTEM
P.O. Box 2068 • Richmond, VA 23218-2068
Tel: 800-888-6275 (TDD) • 800-888-7471
www.vrs.virginia.gov

1. Social Security Number _____
2. Home Number _____

By completing this form, I revoke any or all Durable Power of Attorney forms on file at the Virginia Retirement System (VRS) and I intend to create a durable power of attorney to appointing the agent(s) designated below to make retirement system-related decisions on my behalf and as allowed by the Code of Virginia. This power is expressly limited to decisions relating to my benefits under the Virginia Retirement System.

PART A. DESIGNATION OF AGENT FOR MATTERS REGARDING VRS

I, _____ (Print Name) of _____ (Street Address), _____ (City of) _____ (County of) _____ (State/ Commonwealth of) name the following person as my agent:

Agent's Name: _____
Agent's Address: _____
Agent's Phone Number: _____

PART B. DESIGNATION OF SUCCESSOR AGENT(S) (Optional)

If my agent is unable or unwilling to act on my behalf, I name as my successor agent:

Successor Agent's Name: _____
Successor Agent's Address: _____
Successor Agent's Phone Number: _____

If my successor agent is unable or unwilling to act on my behalf, I name as my second successor agent:

Second Successor Agent's Name: _____
Second Successor Agent's Address: _____
Second Successor Agent's Phone Number: _____

VRS-901 (Rev. 02/11)

VRS-901: VRS Durable Power of Attorney

- **Regularly review/monitor your accounts**, including your myVRS account.
- **Other tips:**
 - Never give account information to anyone.
 - Use passphrases/different passwords.
 - Don't share your usernames or passwords.
 - Secure your home WiFi.
 - Obtain a free credit report once every 12 months: visit annualcreditreport.com or call toll-free at 877-322-8228.
 - Access helpful tips at consumer.ftc.gov.



Be cautious of free retirement planning offers or advice.

If you are uncertain if a communication came from VRS, call **888-827-3847**.

Claim your Social Security account at
secure.ssa.gov

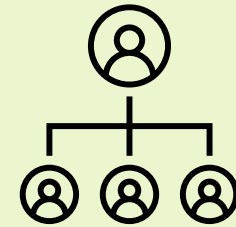
Take Action Today!



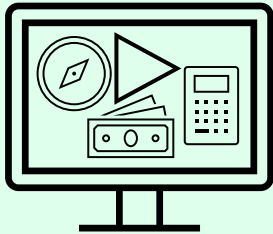
[Use your myVRS account](#)



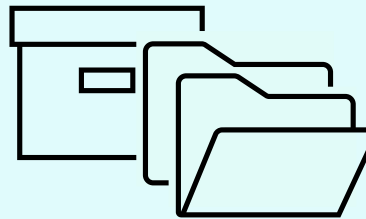
[Share your story for Retiree News](#)



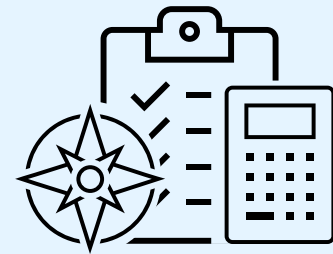
[Update your beneficiaries](#)



[Explore myVRS Financial Wellness](#)



[Organize your assets and documents](#)



[Consider a financial plan](#)

Serving those who serve others