

VRS Benefits Remain Secure

VRS understands that the current financial markets have created concerns among our members and retirees regarding VRS investments and benefits.

Unlike some other types of retirement plans, VRS is a defined benefit plan. When you retire your benefit is based on a formula using your years of service, age and average final compensation at retirement. Average final compensation is the average of the 36 consecutive months of highest compensation in your history of VRS-covered employment. Your retirement benefit amount is not affected by the ups and downs in the market.

Your employer funds your future benefit with a monthly amount paid to VRS. VRS invests this money over your career to fund your future retirement benefit.



VRS holds these funds in a trust that is protected by Article X, Section 11 of the Constitution of Virginia. The constitution states that this trust may be used only to pay benefits for VRS members, retirees and beneficiaries.

VRS has endured market downturns in the past and has continued to provide benefits to members, retirees and beneficiaries. Although it is difficult to predict market fluctuations, VRS has highly skilled investment professionals managing the portfolio with an excellent track record.

Estimate Your Benefit Online

myVRS is your online gateway to your VRS records. You have secure access to your projected retirement dates and estimated benefit amounts, basic group life insurance coverage, employment and compensation history and more.

Through *myVRS*, you can:

- Create future retirement benefit estimates using data from your file.
- Simulate various retirement options to determine the best retirement option for you.

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Frequently Asked Questions

Q. Will the market changes affect my benefit when I retire?

A. No. Your benefit amount is based on a formula, not on investment gains or losses. See “Estimate Your Benefit Online” above for information about accessing your current benefit calculation in *myVRS*.

Q. How does VRS view the market downturn?

A. VRS is a long-term investor with a 90-year planning horizon to pay member benefits. VRS sees opportunities in this market environment and will make adjustments to the portfolio to maximize those opportunities.



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VRS Releases 2008 Returns

After four years of exceptional performance, VRS experienced a -4.4 percent return on its investment portfolio for fiscal year 2008, ending the year with \$55 billion in assets.

“While the portfolio out-performed its policy benchmarks, absolute returns suffered due to stress in the housing and credit markets and general economic weakness. In this environment, risk premiums increased, resulting in lower market prices for equities and other risk assets. The fund maintains a strong liquidity position which will enable us to make attractive new investments during this period of market dislocation. We continue to expect the fund to earn a reasonable return of 7 percent to 8 percent over the long term,” said Chief Investment Officer Charles W. Grant.

The fund’s private equity and fixed income produced returns of 15.5 percent and 6.3 percent, respectively, while real estate investments generated a 4.1 percent return. The fund’s public equity program experienced a -10.4 percent return, and the credit strategies program had a -4.7 percent return.

The portfolio included \$30.5 billion in public equity, \$11.2 billion in fixed income, \$4.5 billion in private equity, \$4.1 billion in real estate and \$4.0 billion in credit strategies, as of June 30, 2008. The three-year annualized return was 8.9 percent and the five-year annualized return was 11.3 percent.

“We remain confident in the global economy’s long-term growth prospects and the fund’s ability to generate acceptable returns over the long investment horizon. Putting this year into perspective, the fund’s five-year return was an outstanding 11.3 percent. In addition, the fund is ably managed by an exceptional investment staff with the skills to take advantage of investment opportunities that present themselves during this period of economic slowdown,” said VRS Board Chairman A. Marshall Acuff, Jr.

Governor Makes Board Appointments

In May, Governor Timothy M. Kaine appointed A. Marshall Acuff, Jr. as chairman of the VRS Board of Trustees to serve a two-year term, ending in May 2010. Mr. Acuff succeeds Paul W. Timmreck whose term as chairman expired in May. Mr. Timmreck remains a member of the board through February 2011.

In April, Governor Kaine appointed Robert L. Greene and Mitchell L. Nason as members of the board. Mr. Greene is a principal in Syncom Venture Partners, a venture capital firm. Mr. Nason is a firefighter and emergency medical technician with Prince William County Department of Fire and Rescue.

View Your MBP Online in *myVRS*

Your 2008 Member Benefit Profile (MBP), your annual VRS benefit statement, is now available. Your profile provides important information about your benefits. It can help you plan your future security and that of your loved ones.

Your MBP shows your membership date and years of service credit, estimates of your monthly benefit and the earliest dates you will be eligible for unreduced and reduced retirement. The MBP also includes information about your basic group life insurance coverage and optional life insurance coverage.

Your employer has provided you with a printed copy or given you instructions for viewing your MBP online through your secure *myVRS* member account at www.varetire.org.

Review your MBP carefully. The statement reflects information your employer provided to VRS through June 30, 2008. Report anything that appears to be incorrect to your human resource office as soon as possible.





Retirement Education and Counseling Sessions

Retirement Education Seminars 8:00 a.m. – NOON

Topics include adjusting to and planning for retirement, estate planning and legal readiness and basic financial planning concepts.

Group Counseling Sessions 1:00 – 4:00 p.m.

Topics include VRS retirement options, estimating your monthly benefit, increasing your retirement benefit, life insurance and retirement resources.

DATE	CITY	LOCATION AND CONTACT INFORMATION
November 13, 2008	Hampton	Thomas Nelson Community College, Hampton Campus, Moore Hall, Espada Conference Center, Office of Workforce Training & Continuing Education 99 Thomas Nelson Dr., P. O. Box 9407, Hampton, VA 23670 Phone: 757-825-2937 Fax: 757-825-3552
November 14, 2008	Warrenton	Lord Fairfax Community College, Fauquier Campus, The Barn, Room 260 6480 College St., Warrenton, VA 20187 Phone: 540-351-1524 Fax: 540-351-1560
November 18, 2008	Chester	John Tyler Community College, Nicholas Student Center 13101 Jefferson Davis Hwy., Chester, VA 23831 Phone: 804-706-5030 Fax: 804-796-4266

RETIREMENT EDUCATION AND COUNSELING SESSION REGISTRATION FORM

Important: To register for a Retirement Education Seminar or a Group Counseling Session, fax or mail this form to the contact listed for the meeting you wish to attend. Be sure to include your name and number on the fax cover sheet. This form also is available on the VRS Web site at www.varetire.org.

Register early to ensure a seat in the session of your choice. Registrations should be received 15 days prior to the program date. You will receive confirmation of your registration from the session contact seven to 10 days before the session.

Which program would you like to attend?

- Retirement Education Seminar (RES):** Recommended for members who are ready to plan for retirement.
- Group Counseling Session (GCS):** Recommended for members who are within five years of retirement.
- I would like to attend both the RES and the GCS.**

Are you bringing a guest?

No or Yes Number of Guests _____

If your guest is a VRS member, please have the guest complete a registration form.

Date, Time and Location: _____

Name: _____

Daytime Phone Number: () _____

Mailing Address: _____

E-mail address: _____

If you need assistance because of a disability, please indicate how we can help:

Please check your employer:

State Agency State Police

VaLORS Judges

School System

Political Subdivision

Political Subdivision/Hazardous Duty

Estimate Your Benefit Online

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- Check the status of an application for retirement, purchase of prior service or refund.
- Plug your estimates into the *myVRS* Retirement Planner to get an idea of what your first month of retirement income will look like.

The *myVRS* Retirement Planner is a new feature in your personal *myVRS* online account. Use it to estimate your income and expenses in retirement and plan for the future you want.

You can create a **Detailed Plan**, which you customize with your own personal information such as your spouse's income, personal retirement

savings and estimated Social Security benefit. The planner provides estimates for health insurance costs and taxes or you can enter your own estimates.

If you want an instant snapshot, use the **Quick Plan**. You will get a general idea of your retirement income and expenses based on your VRS information and assumptions built into the planner.

For more information about using the planner, go to www.varetire.org. Select "Publications" from the Member tab. Planner resources are listed under *myVRS*.



Want to Register for *myVRS*?

It's easy. To create your account, go to the VRS Web site at www.varetire.org. Select the *myVRS* logo under the Member tab. This will take you to the log-in page. Select "Register Now" and follow the instructions from there.



Deputy Sheriffs Now Covered Under Hazardous Duty

As of July 1, 2008, all VRS-covered deputy sheriffs in Virginia are eligible for enhanced coverage for hazardous duty. This is the result of legislation approved by the General Assembly in 2007.

If you are a deputy sheriff who was not covered for hazardous duty before the law changed, you are now eligible for an unreduced retirement benefit at age 50 with at least 25 years of service credit or age 60 with at least five years of service credit.

You also are eligible for a supplement to your retirement benefit if you have at least 20 years of hazardous duty

service when you retire. Currently, the supplement is \$959 per month, paid until you reach full Social Security retirement age.



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