

Board Names Robert P. Schultze As Director

The VRS Board of Trustees appointed Robert P. Schultze director of the retirement system, effective May 2, 2005.

Schultze served as executive commissioner with the Virginia Department of Taxation where he oversaw operations, including audit and delinquent collections, customer service and return processing. He has held a variety of positions during his 29 years in service to the Commonwealth, beginning in 1976 with the State Council of Higher Education. His experience includes service with the executive and legislative branches of Virginia government, serving as deputy chief of staff to Virginia Governor L. Douglas Wilder and as staff director to the House Appropriations Committee.

Virginia Retirement System Director W. Forrest Matthews, Jr. retired April 1, 2005.

Spring Brings Other Changes To VRS

The first half of 2005 has brought a number of other changes to both the VRS Board of Trustees and to the VRS staff.

Governor Mark R. Warner appointed Paul W. Timmreck, senior vice president for finance and administration for Virginia Commonwealth University as chairman of the VRS Board of Trustees. Before joining VCU, Timmreck served as secretary of finance in the Office of the Governor from January 1990 to July 1996. He was also the director of the Virginia Department of Planning and Budget from July 1984 to January 1990. Timmreck has served on the board since 2001. He replaces Alfonso I. Samper as chairman. Samper remains on the board as vice-chairman.

The governor appointed Palmer P. Garson, managing partner at Jefferson Capital Partners, to the VRS Board of Trustees. Garson replaces Robert C. Carlson.

VRS Chief Investment Officer Nancy C. Everett has accepted the position of chief investment officer at General Motors Asset Management, effective June 1, 2005.

Everett joined VRS in 1979. In 1983 she was promoted to assistant investment officer. During the 1990s, she continued to rise through the ranks in the investment division, becoming chief investment officer in 1999.

The board is conducting a search for a new chief investment officer. In the interim it has appointed Charles W. Grant as acting chief investment officer. Grant has served as deputy chief investment officer since January 2005.

WEB SURVEY RESULTS

What Do You Think ?

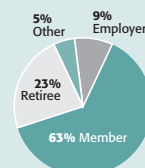
VRS recently conducted a survey of our Web Site users. For results, see page 4.



2 Your Long-Term Care Protection Through VSDP



3 Group and Optional Life Insurance



4 Web Survey Results



The Governor's Initiative To Encourage Planning For Long-Term Care

People are living longer. Social Security is changing. Nursing-home costs have soared. And don't look now, but you're getting older.

If you are age 50 or over, it's not too soon to plan for your later years.

According to Virginia Governor Mark R. Warner, "It is estimated that one-in-four Virginians will be over the age of 60 by the year 2030. The fact is, the federal Medicare program will not help most older people pay for their long-term care needs, and not preparing for the financial, emotional, physical and mental aspects of aging can have a devastating impact on families."

To educate Virginians about the need to plan for later life, Governor Warner is sponsoring a public education campaign called Own Your Future. The Own Your Future campaign offers information and resources to encourage Virginians between the ages of 50 and 70 to plan now so they will be taken care of as they age.

Virginia is one of five states working with the Department of Health and Human Services to offer this pilot program. Own Your Future stresses the importance of saving for future long-term care needs. Because Medicare and other programs can't pay the whole cost of nursing home and other long-term care, financial resources such as long-term care insurance, health savings accounts and investment are needed to provide additional income.

You can visit the Own Your Future Web site at <http://www.aging.state.va.us/LTCFutureIntro.htm>, or call 1/866/PLAN-LTC to receive a tool kit which lists resources and contains a Virginia Long-Term Care Guide.

PROTECTING THE ONES YOU LOVE

VRS Group And Optional Life Insurance Benefits

Safe, warm, protected, happy. It's your most important responsibility to see that your spouse and kids are taken care of every day. You want that protection to continue, even if you're no longer around.

Your VRS benefits can be the basis of continued financial protection for your family. As long as your employer provides VRS Basic Group Life Insurance, you have life insurance and accidental death and dismemberment insurance.

If something should happen to you, your beneficiaries would receive the basic group life insurance payment. This amount is equal to your annual salary rounded to the next highest thousand, then doubled. For example, if your annual salary is \$35,200, it is rounded up to the next highest thousand - \$36,000. When doubled it is \$72,000 for natural death.

If your death is the result of an accident, the amount is doubled again, so it is \$144,000 (\$72,000 natural death benefit and \$72,000 for accidental death).

You have other benefits as part of your life insurance coverage. One provision pays an additional benefit if you are killed in an auto accident while wearing a safety belt. Another provision pays a benefit if you are killed in a felonious assault while working. In addition, there is a benefit that pays to transport your remains if you die from an accident more than 75 miles away from home. Finally, you have access to an accelerated death benefit if you have a terminal condition.

The VRS group life insurance provider is Minnesota Life, P.O. Box 1193; Richmond, VA 23218-1193; Toll free: 1/800/441-2258.

Optional Life Coverage Gives You Even More Protection

Perhaps you want more coverage than your basic group life insurance provides. If you are covered under the basic group life program, you are eligible to purchase additional coverage for yourself and your family.

The Optional Group Life Insurance Program is provided by Minnesota Life.

To increase your coverage, you can select coverage for one, two, three or four times your salary, rounded to the next highest \$1,000, to a maximum of \$600,000. You pay the premiums for optional life insurance through payroll deduction.

You may insure your spouse for one half of your own coverage, to a maximum of \$300,000. Coverage for your children is based on the amount you select for your own coverage. One premium covers all children.

Optional life insurance coverage includes an accidental death benefit if you or any of your insured dependents dies in an accident. This benefit is equal to the Optional Group Life natural death benefit.

A dismemberment benefit is also provided if you or any of your insured dependents suffer an accidental bodily loss. This benefit equals either 50 or 100 percent of the Optional Group Life natural death benefit, depending on the extent of the loss.



You can continue optional life insurance coverage for yourself and your dependents into your retirement as long as you and your dependents have continuously participated in the Optional Life Insurance Program for the 60 months immediately preceding retirement.

For more information, or to apply for optional group life insurance contact your human resource officer or Minnesota Life at P.O. Box 1193, Richmond, VA, 23218-1193; 1/800/441-2258.

VRS Seminars Can Help You Plan A Stress-Free Retirement

Working life is stressful enough without having to think about where you're going to live, or how you're going to support yourself in retirement.

VRS Retirement Education Seminars offer you a way to reduce your stress by providing information about VRS benefits, financial and legal concerns, health insurance, and saving and investing.

The seminars show you how to be proactive in planning your retirement. They cover topics such as long-term financial planning, estate planning, and using deferred compensation and other tax-deferred plans to supplement your retirement benefit. These seminars are designed for members more than five years from retirement.

Group Counseling Sessions are for members who plan to retire within the next five years. They provide practical advice on health insurance and life insurance benefits. You learn how to choose

the best retirement option for you, and how to complete the retirement application.

VRS Retirement Education Seminars are scheduled from 8 a.m. to noon, and Group Counseling Sessions are available from 1 p.m. to 4 p.m. The seminars and counseling sessions are scheduled together at various locations around the state so that you can register for one or both at the same location.

To make your life even easier, you also can now register for Retirement Education Seminars and Group Counseling Sessions online. Go to <http://www.varetire.org/seminars> for online schedule and easy-to-follow registration instructions.

If you prefer to mail or fax your registration, the schedule and a registration form for the Retirement Education Seminars and the Group Counseling Sessions also are printed in each issue of *Member Bulletin* (see page 5).

Web Site Survey Results

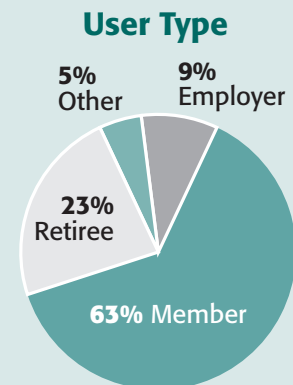
VRS wants to know if the VRS Web site is easy to use, easy to understand, and if the information on the site is clear, accurate and useful.

A recent survey of members, retirees, and employers showed that 81 percent of the respondents found what they were looking for on the Web site. Seventy-eight percent rated the ease of getting around the site as either "excellent" or "good." Seventy percent rated readability as either "excellent" or "good."

Fourteen percent of those responding visited the Web site once or twice a month and 38 percent visited frequently.

Sixty-three percent of respondents were members. They were most interested in general member benefits information and the online tools such as the Member Calculator, which estimates retirement benefits and the Actuarial Estimator, which gives an idea of the actuarial cost of purchasing prior service credit.

Thanks to everyone who responded to the survey. VRS will conduct more surveys and other research in the future so that www.varetire.org continues to grow to meet the needs of VRS members. If you have feedback, contact the VRS webmaster at webmaster@varetire.org.



2005 Retirement Education Seminar & Group Counseling Schedule

For registration form, see page 6.

DATE	RES	GCS	LOCATION/CONTACT	DATE	RES	GCS	LOCATION/CONTACT
June 9	8 AM – 12 PM	1 PM – 4 PM	John Tyler Community College, Nicholas Student Ctr., Chester Contact: Wanda Johnson Mail: 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Student & Community Activities Phone: 804/706-5189 FAX: 804/796-4365	September 14	8 AM – 12 PM	1 PM – 4 PM	John Tyler Community College, Nicholas Student Ctr., Chester Contact: Wanda Johnson Mail: 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Student & Community Activities Phone: 804/706-5189 FAX: 804/796-4365
June 15	8 AM – 12 PM	1 PM – 4 PM	Greenfield Education and Training Center Contact: Ronald L. Coleman Mail: Roanoke Higher Education Center, 108 N. Jefferson St., Roanoke, VA 24016 Phone: 540/767-6123 FAX: 540/767-6098	September 22	8 AM – 12 PM	1 PM – 4 PM	Northern Virginia Comm. College, Annandale Contact: Felicia Blakeney 7630 Little River Tpk., Suite 600, Annandale, VA 22003-3796 Phone: 703/323-3102 FAX: 703/813-1325
June 22	8 AM – 12 PM	1 PM – 4 PM	Mountain Empire Community College, Big Stone Gap Contact: Mitzi Williams Mail: P.O. Drawer 700, Big Stone Gap, VA 24219 Phone: 276/523-2400 ext. 372 FAX: 276/523-7486	October 5	8 AM – 12 PM	1 PM – 4 PM	Blue Ridge Community College, Weyers Cave Contact: Debbie Glenn P.O. Box 80, Weyers Cave, VA 24486 Phone: 540/453-2342 FAX: 540/234-8102
July 13	8 AM – 12 PM	1 PM – 4 PM	John Tyler Community College, Nicholas Student Ctr., Chester Contact: Wanda Johnson Mail: 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Student & Community Activities Phone: 804/706-5189 FAX: 804/796-4365	October 7	8 AM – 12 PM	1 PM – 4 PM	Lord Fairfax Community College, Fauquier Campus Contact: Kathy Howard Mail: Lord Fairfax Comm. Coll., 6480 College Street, Warrenton, VA 20187 Phone: 540/351-1505 FAX: 540/351-1560
July 19	8 AM – 12 PM	1 PM – 4 PM	Blue Ridge Community College, Weyers Cave Contact: Debbie Glenn P.O. Box 80, Weyers Cave, VA 24486 Phone: 540/453-2342 FAX: 540/234-8102	October 18	8 AM – 12 PM	1 PM – 4 PM	John Tyler Community College, Nicholas Student Ctr., Chester Contact: Wanda Johnson Mail: 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Student & Community Activities Phone: 804/706-5189 FAX: 804/796-4365
July 27	8 AM – 12 PM	1 PM – 4 PM	Virginia Beach Advanced Technical Center Contact: Bettie Fix Mail: 300 Granby Street, 5th Fl., Norfolk, VA 23510 Phone: 757/822-1234 FAX: 757/822-1160	October 26,	8 AM – 12 PM	1 PM – 4 PM	Wytheville Community College, Wytheville Contact: Annie Taylor & Rhonda Hales Mail: Wytheville Comm. Coll., 1000 E. Main St., Wytheville, VA 24382 Phone: 276/223-4712 FAX: 276/223-4716
August 2	8 AM – 12 PM	1 PM – 4 PM	Central Virginia Community College, Lynchburg Contact: Kathy Payne & Twila DeMasters 3506 Wards Road, Lynchburg, VA 24502 Phone: 434/832-7607 FAX: 434/832-7761	November 9	8 AM – 12 PM	1 PM – 4 PM	John Tyler Community College, Nicholas Student Ctr., Chester Contact: Wanda Johnson Mail: 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Student & Community Activities Phone: 804/706-5189 FAX: 804/796-4365
August 10	8 AM – 12 PM	1 PM – 4 PM	Greenfield Education and Training Center Contact: Ronald L. Coleman Mail: Roanoke Higher Education Center, 108 N. Jefferson St., Roanoke, VA 24016 Phone: 540/767-6123 FAX: 540/767-6098	November 16	8 AM – 12 PM	1 PM – 4 PM	John Tyler Community College, Nicholas Student Ctr., Chester Contact: Wanda Johnson Mail: 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Student & Community Activities Phone: 804/706-5189 FAX: 804/796-4365
August 16	8 AM – 12 PM	1 PM – 4 PM	John Tyler Community College, Nicholas Student Ctr., Chester Contact: Wanda Johnson Mail: 1301 Jefferson Davis Hwy, Chester, VA 23831, Att: Student & Community Activities Phone: 804/706-5189 FAX: 804/796-4365	November 30	8 AM – 12 PM	1 PM – 4 PM	Greenfield Education and Training Center Contact: Ronald L. Coleman Mail: Roanoke Higher Education Center, 108 N. Jefferson St., Roanoke, VA 24016 Phone: 540/767-6123 FAX: 540/767-6098

The Cost of Waiting – Don't Let That Contract Expire

Are you purchasing prior service credit? Are you doing it through a year-by-year payroll deduction contract?

When you choose payroll deduction, 5 percent of your creditable compensation reported to VRS is withheld from your pay each month for the service you are purchasing. If you are purchasing service one year at a time on a tax-deferred basis, you must renew the contract within 30 days of the end of the contract. If you break your contract (a break is more than 30 days between ending one contract and signing another), you will not be able to purchase the remaining service at 5 percent. Instead, you will have to purchase the service at the actuarial equivalent rate, which is generally much higher. For example, if you have 22 years of service and your annual salary is \$42,000 a year, the cost to purchase a month of service credit at 5 percent of your salary is \$175. To purchase a month at the same salary at the actuarial equivalent rate, the cost

would be \$1027.41. Also, you cannot purchase service credit through payroll deduction if you are paying actuarial cost.

Because the amount of your benefit is based on your years of service credit as well as your age at retirement and your average final compensation, the purchase of prior service credit can increase your monthly retirement benefit, or allow you to qualify for retirement at an earlier age. It also increases the health insurance credit to which you may be entitled.

If you are unsure when your contract is due to expire, check with your benefits administrator. Don't let time slip away.



REGISTRATION FORM

Retirement Education Seminar (RES)/Group Counseling Session

To register for either a Retirement Education Seminar or a Group Counseling Session, fax or mail this form to the contact person listed for the meeting you wish to attend (see page 5). This form is also available on the VRS Web site at www.varetire.org. Make sure your name and phone number are included on the fax cover sheet.

The contact person will either call you or send a fax, letter or e-mail confirming your registration. Sessions fill up quickly, so register early to reserve your seat(s) at the session of your choice. Registrations should be received 15 days prior to the program date. You will receive confirmation of your registration 10 days prior to the meeting date.

WHICH PROGRAM WOULD YOU LIKE TO ATTEND?

- Retirement Education Seminar
 Group Counseling Session

HOW MANY YEARS DO YOU HAVE TO RETIREMENT?

- More than five years
 Fewer than five years

1ST CHOICE FOR DATE, TIME AND LOCATION: _____

IF YOUR 1ST CHOICE IS NOT AVAILABLE, WHAT IS YOUR 2ND CHOICE? _____

VRS MEMBER NAME: _____

LAST FOUR DIGITS OF MEMBER'S SOCIAL SECURITY #: _____

DATE OF BIRTH: _____

MAILING ADDRESS: _____
STREET

CITY _____ STATE _____ ZIP _____

PHONE: (HOME) _____ (WORK) _____

AGENCY NAME AND LOCATION: _____

NAME OF GUEST: _____

IS YOUR GUEST A VRS MEMBER? **YES** OR **NO**

IF YES, ENTER YOUR GUEST'S LAST FOUR DIGITS OF SOCIAL SECURITY #: _____

IF YES, ENTER DATE OF BIRTH: _____

IF YOU NEED ASSISTANCE DUE TO A DISABILITY, PLEASE INDICATE HOW WE CAN HELP: _____

Director

Robert P. Schultze

Public Relations Director

Jeanne Chenault

Communications Manager

Ann Black

Communications Editor

Kathleen Dimond

Newsletter Design

Office of Graphic Communications,
Virginia Department of General Services

Virginia Retirement System

Post Office Box 2500
Richmond, Virginia 23218-2500
Phone 804/649-8059
Toll Free 888/827-3847
(VA-RETIR)
e-mail: vrs@varetire.org
Web Site: www.varetire.org

