

# **Virginia Retirement System Choosing Your Retirement Plan**

**This publication is for employees who are eligible to select the  
Optional Retirement Plan for Political Appointees**

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## Introduction

As an employee serving in a position designated in subdivision 3, 4, or 20 of Section 2.2-2905 of the Code of Virginia or an officer or employee appointed by the Attorney General or Lieutenant Governor to a position designated as a deputy, counsel, or director, you are allowed to choose between the Virginia Retirement System (VRS) defined benefit plan and the Optional Retirement Plan for Political Appointees (ORPPA) defined contribution plan.

This publication “Choosing Your Retirement Plan” is a comparison guide developed for employees eligible to choose between the VRS defined benefit plan and the ORPPA defined contribution plan. Review this document prior to selecting your retirement plan. This guide was designed to help you in evaluating your choice and determining which option is better for you.

If you already have service with VRS, it is suggested that you look closely at the effect your choice has on your retirement income. You may request an estimate of your VRS benefit by contacting the VRS Member Counselors.

**Remember: You have 30 days from the date you receive your information packet and election forms from VRS to make your choice and return the completed forms. If you do not return the completed forms to VRS within 30 days you will automatically be covered by the VRS defined benefit plan.**

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## Choosing your retirement plan

The choice of a retirement plan is a critical one because of its impact on your financial security. As an eligible political appointee, you have the choice between two retirement plans that are distinctly different.

### Defined Benefit

The Virginia Retirement System (VRS) is a **defined benefit plan**. That means that your retirement benefit is determined by the following: the amount of service you accumulate in VRS-covered positions (including certain types of permissive service that you purchase); your age at retirement; and the average of your three consecutive years of highest salary. **Your employer guarantees this benefit.** In a defined benefit plan your benefit increases with each year that you work and with your pay increases. In general, a defined benefit plan tends to produce a larger benefit for those who have longer service.

A characteristic of a defined benefit plan is that actuarial reductions are applied to your benefit if you do not qualify for an unreduced retirement. To qualify for unreduced retirement from VRS, you must have 30 years of service and be at least 50 years old, or have at least five years of service at age 65. To receive reduced lifetime monthly payments, you must be vested (have a minimum of five years of service on record with VRS) and be at least age 55 or have 10 years of service and be at least age 50. For VRS purposes, vesting means you are eligible for a lifetime benefit.

More detail on VRS benefits is contained in the VRS Members Handbook available at [www.varetire.org](http://www.varetire.org) or from your agency’s Human Resources office.

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## Choosing your retirement plan (continued)

### Defined Contribution

The Optional Retirement Plan (ORPPA), on the other hand, is a **defined contribution plan** where vesting is immediate. For purposes of the ORPPA, vesting means that the total balance in your account is available to you when you leave public employment in Virginia. Your retirement benefit is based on employer contributions and the investment gains and losses on those contributions. **You choose your investments from a range of funds offered under the plan and assume all risks associated with those choices. Your investment choices should be based on long-term goals and risk tolerance. Risk varies by investment.** Your employer bears no responsibility for the outcome of your investment choices.

In general, a defined contribution plan such as the ORPPA works best for people who have multiple employers during their careers and who prefer the plan's portability.

More detail on ORPPA benefits is contained in the ORPPA Participant Handbook available at [www.varetire.org](http://www.varetire.org) or from your agency's Human Resources office.

Attachment A lists the investment choices currently available to Plan participants.

Attachment B is an illustration of benefits in the two plans based on stated assumptions.

## Comparing Plans

The following summary gives you a general comparison of the two plans:

	<b>VRS</b>	<b>ORPPA</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Type of Plan</b>	Defined Benefit: Benefit at retirement is based on a formula that uses the highest consecutive 3 years of salary, amount of service credit (including service credit you purchased) and age at retirement.	Defined Contribution: Benefit at retirement is based on contributions, net investment earnings and age (the length of time your benefit will be paid). Participants may choose between investments offered.
<b>Contributions</b>	<p>The Commonwealth makes the total contribution for you.</p> <p>Five percent of creditable compensation is placed in your member contribution account in your name. Your member contribution account earns interest at 4% on an annual basis.</p> <p>The employer also makes a contribution to an employer pool account that is based on a rate established every two years by the VRS actuaries and approved by the General Assembly. Both member and employer contributions and earnings on those contributions fund future lifetime retirement benefits and guaranteed cost-of-living adjustments after retirement.</p>	<p>The Commonwealth makes the total contribution for you.</p> <p>Each pay period 10.4% of creditable compensation goes into an account on your behalf.</p>
<b>Vesting</b>	Immediate for member contribution account; 5 years for lifetime benefit	Immediate for account balance

	<b>VRS</b>	<b>ORPPA</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Termination before Retirement</b>	<p>Upon termination of employment you may choose to take a refund of your member account balance including accrued interest; however, by doing so you lose the service credit represented by the amount refunded and your right to a lifetime benefit.</p> <p>Refund is subject to federal and state income tax and may be subject to a 10% excise tax if taken before age 59 ½ (unless you separate from service after age 55). Taxation may be deferred if rollover is available.</p>	<p>Account balance may be left in Plan, rolled over or taken as a distribution.</p> <p>Distribution is subject to federal and state income tax and may be subject to a 10% excise tax if taken prior to age 59 ½ (unless you separate from service after age 55). Taxation may be deferred if rollover is available.</p>
<b>Taxation of Retirement Benefit</b>	<p>No tax paid until distribution. Monthly benefit is taxed as ordinary income.</p>	<p>No tax paid until distribution. Distribution is subject to federal and state income taxes, as well as an early distribution penalty if taken prior to age 59 1/2, An exception applies if you receive an annuity or separate from service after age 55. Taxation may be deferred if rollover is available.</p>
<b>Portability</b>	<p>Participation continues if employed by the Commonwealth, most VA local governments, and all VA public school divisions. Many types of public service and leave may be purchased to enhance the benefit.</p>	<p>Continued participation if employed in another ORPPA-eligible position.</p> <p>Account balance can be rollover over to subsequent employer's plan or IRA.</p> <p>Participants who are immediately reemployed by the Commonwealth in a position with only VRS coverage may use their ORPPA account to purchase VRS service credit.</p>

	<b>VRS</b>	<b>ORPPA</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Employer Retirement Savings Plans</b>	Participation in the Commonwealth's 457 Plan and Cash Match Plan is available regardless of the retirement plan selected.	Participation in the Commonwealth's 457 Plan and Cash Match Plan is available regardless of the retirement plan selected.
<b>Investment Risks</b>	Benefit is guaranteed as long as the Commonwealth continues to make contributions to the plan.	Risk borne by employee. Benefit is based on contributions and gains and losses on investments. Risk varies according to investments chosen.
<b>Inflation Risk (Pre-retirement)</b>	Benefit is related to pay and standard of living just prior to retirement; therefore, initial benefit keeps pace with pre-retirement inflationary trends.	Earnings may be tied to changes in the stock and bond markets and to changes in money markets; choice of investment vehicles is available. Transfers among funds may be made.
<b>Inflation Risk (Post-Retirement)</b>	Provides cost-of-living adjustments starting in the second year of retirement.  Adjustments are tied to the CPI-urban and do not exceed 5% per year under current law.	Cost-of-living adjustments are not available.  Retiring plan participants may purchase annuities, which include inflation adjustments. Retirees may also make systematic withdrawals from investment accounts allowing the remainder to continue to be invested.
<b>Eligibility for Benefit Payout</b>	Unreduced benefit with 30 years service and at least age 50 or at age 65 with at least 5 years service.  Retirement at age 55 with 5 years of service or at age 50 with 10 years of service produces an actuarially reduced benefit.	May begin receiving benefits at termination of employment, regardless of age.  Amount of benefit is determined by contributions; earnings and losses on account and the length of time the benefit is to be paid.

	<b>VRS</b>	<b>ORPPA</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Disability</b>	Covered by the Virginia Sickness & Disability Program (VSDP). Provides replacement income ranging between 100% and 60% of salary in the event of short-term or long-term disability. If you were covered by VRS prior to January 1, 1999, did not have a break in service and retained the traditional sick leave/disability retirement benefit, you will continue to be covered by the traditional plan.	Generally not available, except through Social Security.  ORPPA participants may wish to purchase private disability insurance for the period of their ORPPA employment.  When employment ends due to disability, a distribution from the plan may begin.
<b>Group Life Insurance (GLI)</b>	For natural death, death benefit is equal to salary rounded to next \$1,000, times 2. This amount is doubled for accidental death. Life insurance is retained in retirement provided the member is age 55 with at least 5 years of service, or age 50 with at least 10 years of service. The coverage amount reduces 25% annually until it reaches 25% of the original value. The reduction begins on January 1 of the first full year following the date the member separates from service.  Additional Optional Life Insurance is available to employees and dependents.	Life insurance benefit is the same regardless of the retirement plan chosen.
<b>Life Insurance Conversion</b>	Members leaving employment and not eligible to continue GLI may convert to a private policy.	ORPPA Participants leaving employment and not eligible to continue GLI may convert to a private policy.

	<b>VRS</b>	<b>ORPPA</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Death in Service</b>	<p>If member dies in service, most beneficiaries receive a lump sum distribution of the member contribution account.</p> <p>If beneficiary is the spouse, minor child, mother or father of deceased, they can choose either lump-sum payout of the member's account or a monthly benefit.</p>	<p>All contributions and investment earnings payable to participant's beneficiary. Beneficiary may choose method of payment.</p>
<b>Death in Line of Duty</b>	<p>If member dies in the line of duty, surviving spouse, minor child, or parent will receive half the member's average final compensation (AFC) or 1/3 AFC if survivor qualifies for Social Security death benefits (offset by certain Workers' Compensation and Social Security conditions.) Member contribution account is refunded to the named beneficiary.</p>	<p>No special benefits.</p>
<b>Health Insurance</b>	<p>State employee health insurance is available while employed. State retiree health benefit is available if retirement benefit payment begins immediately.</p>	<p>While you are an employee, health insurance benefits are the same in both plans. At retirement you are eligible for the state retiree health benefit if you receive an immediate periodic payment from the Plan.</p>
<b>Health Credit - Service Retirement</b>	<p>Eligible with 15 years of VRS service. To qualify must receive retirement benefit and incur cost for health insurance. Benefit is \$4.00 per year of service to a maximum of \$120 a month.</p>	<p>Eligible with 15 years of combined VRS and ORPPA service. To qualify must receive periodic distribution from the Plan and incur cost for health insurance. Benefit is \$4.00 per year of service to a maximum of \$120 a month.</p>

	<b>VRS</b>	<b>ORPPA</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Health Credit - Disability</b>	Receive full benefit for Disability Retirement or VSDP Long-term Disability.	Receive full benefit if also receiving payment from an employer-sponsored long-term disability plan. Otherwise benefit is based on years of service only.
<b>Pay Out Options</b>	<p><b>Basic Benefit:</b> For lifetime of member only.</p> <p><b>Survivor Options:</b> Reduced lifetime benefit so that survivor continues to receive benefit after member dies.</p> <p><b>Partial Lump Sum Option:</b> By working 1-3 years beyond eligibility for unreduced retirement, members may receive portion of lifetime benefit as a lump-sum payment at retirement. This option can also be combined with a survivor option.</p> <p><b>Advanced Pension Option:</b> Larger benefit in early years of retirement with reduced benefit later.</p>	<p>A variety of distribution options are available. The following are generally available:</p> <ul style="list-style-type: none"> <li>- annuity including survivor options</li> <li>- periodic distribution</li> <li>- lump sum</li> <li>- partial lump sum</li> <li>- rollover to another plan or IRA</li> </ul>
<b>Change of Payout Option</b>	Basic Benefit, Partial Lump Sum and Advance Pension Options may not be changed after retirement. Survivor options may be changed if: survivor dies first; survivor is divorced before 20 years of marriage (provided there is no approved court order requiring former spouse to receive survivor benefit); or survivor waives benefit.	Varies according to the payout option chosen.
<b>Required Minimum Distribution</b>	You must begin a distribution from VRS at the later of age 70 ½ or when you terminate public employment in Virginia.	You must begin a distribution from the plan at the later of age 70 ½ or when you terminate public employment in Virginia.

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## Selecting a Plan

**Your selection of a retirement plan is irrevocable.** Because this choice cannot be changed at a later time, it should be made with great care. You have 30 days from the date VRS sends you the information packet, Election to Participate (VRS-65C), enrollment and beneficiary designation forms to make your choice and return the completed forms to VRS Member Services. If you do not elect the ORPPA within the required timeframe you will automatically be covered by the VRS defined benefit plan.

### If you choose VRS

If, after reviewing the features of VRS and the ORPPA, you conclude that the VRS defined benefit plan better meets your needs, you should advise your Human Resources office of your decision. There is no enrollment form to complete.

If you wish to make a beneficiary designation for your member contribution account and Group Life Insurance other than the order of precedence, obtain the Beneficiary Change Form (VRS-2) from your human resources office or from the VRS Web site at [www.varetire.org](http://www.varetire.org). Select the “Member” tab and go to Forms and Publications.

You may learn more about VRS by visiting the VRS Web site at [www.varetire.org](http://www.varetire.org). Direct contact information is as follows:

Virginia Retirement System  
P.O. Box 2500  
Richmond, VA 23218-2500  
(804) 649-8059 or 1-888-VARETIR

### If you choose the ORPPA

If you decide a defined contribution plan such as the ORPPA will serve you better, there are five actions you must take:

- Within the timeframe indicated complete and submit the Election to Participate in the Optional Retirement Plan for Political Appointees (VRS-65C). This form must also be signed by your agency’s payroll representative;
- Complete the ORPPA Participant Enrollment Form and choose your investments;
- Complete the ORPPA Beneficiary Designation form and designate your beneficiaries;
- Return **all** forms to VRS Member Services at the address listed below;
- Provide a copy of the Election to Participate to your agency’s payroll office.

VRS Member Services  
P.O. Box 2500  
Richmond, VA 23218-2500  
(804) 649-8059 or 1-888-VARETIR

If you wish to make a beneficiary designation for your Group Life Insurance other than the order of precedence, obtain the Beneficiary Change Form (VRS-2) from your human resources office or from the VRS Web site at [www.varetire.org](http://www.varetire.org), select the “Member” tab and go to Forms and Publications.

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## **Benefit Illustrations**

Attachment B provides benefit illustrations between the estimated value of annual benefits provided under VRS versus the ORPPA for various age and service combinations using different assumptions. Please read the Glossary of Terms and Methodology carefully when reviewing these illustrations.

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## **Final Comments**

Please note that provision of an optional plan does not constitute a recommendation for such plan, nor acceptance by the Commonwealth of any responsibility for its financial condition or future benefit payments. The Commonwealth reserves the right to amend or terminate the plan at any time and without the consent of any other party.

The Commonwealth also reserves the right to change investment providers and / or investment funds available to plan participants. A change of investment providers and available funds may affect all accounts held under the Plan or may effect only future contributions depending on the decision made and the circumstances at the time.

## Attachment A

### VRS Defined Contribution Plans Listing of Funds/Asset Class/Benchmarks

<b>Tier</b>	<b>Fund</b>	<b>Asset Class</b>	<b>Benchmark</b>
Tier I – Asset Allocation Funds	Income & Growth Fund	Asset Allocation	75% Lehman Bros. Aggregate Bond Index, 22% Russell 3000, 3% MSCI EAFE
	Balanced Growth Fund	Asset Allocation	50% Lehman Bros. Aggregate Bond Index, 43% Russell 3000, 7% MSCI EAFE
	Long-Term Growth Fund	Asset Allocation	25% Lehman Bros. Aggregate Bond Index, 64% Russell 3000, 11% MSCI EAFE
Tier II – Passively Managed Funds	Bond Index Fund	Bond	Lehman Bros. Aggregate Bond Index
	S&P 500 Index Fund	Large Cap Stock (Blend)	S&P 500 Index
	Russell 1000 Value Index Fund	Large Cap Stock (Value)	Russell 1000 Value Index
	Russell 1000 Growth Index Fund	Large Cap Stock (Growth)	Russell 1000 Growth Index
	Russell 3000 Index Fund	Broad Stock Market	Russell 3000 Index
	Real Estate Investment Trust Index Fund	REITs (Real Estate Investment Trusts)	Dow Jones Wilshire REIT Index
	Small/Mid Cap Equity Index Fund	Small/Mid Cap Stock (Blend)	Russell Small Cap Completeness Index
	International Equity Index Fund	International Stock	MSCI EAFE Index
Tier III – Actively Managed Funds	Money Market Fund	Cash Equivalent	91-Day Treasury Bill Average
	Active Inflation-Protected Bond Fund*	Inflation-Indexed Bond	Lehman Bros. US Treas. Inflation Notes Index
	Active Bond Fund*	Bond	Lehman Bros. Aggregate Bond Index
	Active High-Yield Bond Fund*	High Yield Bond	95% Lehman Bros. High-Yield ex-CCC, 5% Lehman Bros. 1-3 Year Treasury Index
	Active Small/Mid Cap Equity Fund	Small/Mid Cap Stock (Blend)	Russell Small Cap Completeness Index
	Active Global Equity Fund*	Global Stock	MSCI World Index
	Stable Value	Stable Value	3 Year Constant Maturity Treasury (CMT) Yield plus 0.50%

**Tier IV - A Self-Directed Brokerage Account for publicly-traded mutual funds is also available through Harrisdirect for experienced and knowledgeable investors who understand the risks and costs involved with this type of investing.**

\*Mutual Funds

# **VRS v. ORP**

## **Benefit Illustrations**

**June 18, 2005**

## Glossary of Terms

- **Annual Benefit**
  - Amount payable for life of the participant at retirement
  - Under ORP it is assumed that
    - A life annuity is purchased with the account balance
    - An annual COLA is included in the annuity contract
    - The yield on the annuity contract is equal to the assumed ORP rate of return
- **Average Final Compensation**
  - Average salary for three highest years preceding retirement
  - Used to calculate benefits under VRS benefit formula
- **COLA**
  - Annual cost of living adjustment automatically applied to benefits under VRS
    - 100% of 1st 3% increase in CPI
    - 50% of next 4% increase in CPI
    - Maximum increase 5%
  - In order to have a COLA under ORP, employee would need to elect an annuity form of payment with payments increasing each year
- **Final Salary**
  - Salary in year of retirement
- **ORP Return**
  - Assumed rate of return on employee directed investments in ORP
  - Rate of return not guaranteed
- **ORP Contribution**
  - Annual percent of pay contributed on behalf of each participant in the ORP
- **Salary Increases**
  - Assumed annual rate of increase from date of hire until retirement

## Methodology

- These benefit illustrations are intended to provide an estimate of the relative value of the benefits provided under VRS versus ORP for various age and service combinations. They were developed based on current plan provisions and the stated assumptions as to annual salary increases, current salary level, annual return on ORP account balances, and future cost of living adjustments (COLA).
- The estimated annual benefits from VRS are based on a single life annuity form of payment with annual increases based on the COLA assumption.
- The estimated annual benefits from the ORP are based on the single life annuity that could be provided by the account balance with annual increases based on the COLA assumption, the stated annual rate of return, and normal life expectancy.
- Keep in mind that these estimates are for illustrative purposes only. Actual benefits will be based on actual plan provisions, salary history, investment returns, and form of payment elected at retirement and could be higher or lower than the benefits illustrated.

## Comparing VRS to ORP Annual Benefits Illustration

### Assumptions

Salary Increases:	3.00%
ORP Annual Rate of Return:	7.00%
ORP Contribution:	10.40%
COLA:	2.00%
Final Salary:	\$50,000
Average Final Compensation:	\$48,500

Age at Retirement	VRS							ORP						
	Service							Service						
	5	10	15	20	25	30	35	5	10	15	20	25	30	35
50	*	2,430	3,645	4,861	6,076	24,766	28,893	1,837	4,059	6,747	10,000	13,935	18,695	24,455
55	1,899	3,797	5,696	7,595	14,447	24,766	28,893	1,982	4,380	7,281	10,791	15,037	20,175	26,391
60	2,889	5,779	8,668	11,557	14,447	24,766	28,893	2,182	4,822	8,017	11,881	16,557	22,214	29,057
65	4,128	8,255	12,383	16,510	20,638	24,766	28,893	2,455	5,424	9,017	13,364	18,623	24,985	32,683
75	4,128	8,255	12,383	16,510	20,638	24,766	28,893	3,374	7,456	12,395	18,370	25,599	34,346	44,927

Age at Retirement	Ratio of VRS to ORP						
	Service						
	5	10	15	20	25	30	35
50	0.00%	59.87%	54.02%	48.61%	43.60%	132.47%	118.15%
55	95.81%	86.69%	78.23%	70.38%	96.08%	122.76%	109.48%
60	132.40%	119.85%	108.12%	97.27%	87.26%	111.49%	99.44%
65	168.15%	152.19%	137.33%	123.54%	110.82%	99.12%	88.40%
75	122.35%	110.72%	99.90%	89.87%	80.62%	72.11%	64.31%

\* Note: At age 50, VRS benefits are deferred if less than 10 years of service.

## Comparing VRS to ORP Annual Benefits Illustration

### Assumptions

Salary Increases:	3.00%
ORP Annual Rate of Return:	6.00%
ORP Contribution:	10.40%
COLA:	2.00%
Final Salary:	\$50,000
Average Final Compensation:	\$48,500

Age at Retirement	VRS							ORP						
	Service							Service						
	5	10	15	20	25	30	35	5	10	15	20	25	30	35
50	*	2,430	3,645	4,861	6,076	24,766	28,893	1,581	3,407	5,514	7,947	10,755	13,996	17,738
55	1,899	3,797	5,696	7,595	14,447	24,766	28,893	1,726	3,718	6,018	8,672	11,737	15,275	19,358
60	2,889	5,779	8,668	11,557	14,447	24,766	28,893	1,923	4,142	6,704	9,661	13,075	17,016	21,565
65	4,128	8,255	12,383	16,510	20,638	24,766	28,893	2,188	4,715	7,631	10,997	14,883	19,369	24,547
75	4,128	8,255	12,383	16,510	20,638	24,766	28,893	3,082	6,640	10,746	15,487	20,960	27,277	34,569

### Ratio of VRS to ORP

Age at Retirement	Service						
	5	10	15	20	25	30	35
50	0.00%	71.32%	66.10%	61.17%	56.49%	176.95%	162.89%
55	110.02%	102.12%	94.65%	87.58%	123.09%	162.13%	149.26%
60	150.23%	139.52%	129.30%	119.63%	110.49%	145.55%	133.98%
65	188.67%	175.08%	162.27%	150.13%	138.67%	127.86%	117.70%
75	133.94%	124.32%	115.23%	106.61%	98.46%	90.79%	83.58%

\* Note: At age 50, VRS benefits are deferred if less than 10 years of service.

## Comparing VRS to ORP Annual Benefits Illustration

### Assumptions

Salary Increases:	3.00%
ORP Annual Rate of Return:	5.00%
ORP Contribution:	10.40%
COLA:	2.00%
Final Salary:	\$50,000
Average Final Compensation:	\$48,500

Age at Retirement	VRS							ORP						
	Service							Service						
	5	10	15	20	25	30	35	5	10	15	20	25	30	35
50	*	2,430	3,645	4,861	6,076	24,766	28,893	1,347	2,830	4,463	6,261	8,240	10,419	12,818
55	1,899	3,797	5,696	7,595	14,447	24,766	28,893	1,490	3,130	4,935	6,923	9,111	11,520	14,173
60	2,889	5,779	8,668	11,557	14,447	24,766	28,893	1,682	3,533	5,572	7,816	10,286	13,006	16,001
65	4,128	8,255	12,383	16,510	20,638	24,766	28,893	1,940	4,076	6,428	9,017	11,867	15,005	18,460
75	4,128	8,255	12,383	16,510	20,638	24,766	28,893	2,806	5,895	9,296	13,041	17,163	21,701	26,698

### Ratio of VRS to ORP

Age at Retirement	Service						
	5	10	15	20	25	30	35
50	0.00%	85.87%	81.67%	77.64%	73.74%	237.70%	225.41%
55	127.45%	121.31%	115.42%	109.71%	158.57%	214.98%	203.86%
60	171.76%	163.57%	155.56%	147.86%	140.45%	190.42%	180.57%
65	212.78%	202.53%	192.64%	183.10%	173.91%	165.05%	156.52%
75	147.11%	140.03%	133.21%	126.60%	120.25%	114.12%	108.22%

\* Note: At age 50, VRS benefits are deferred if less than 10 years of service.

## Comparing VRS to ORP Annual Benefits Illustration

### Assumptions

Salary Increases:	3.00%
ORP Annual Rate of Return:	4.00%
ORP Contribution:	10.40%
COLA:	2.00%
Final Salary:	\$50,000
Average Final Compensation:	\$48,500

Age at Retirement	VRS							ORP						
	Service							Service						
	5	10	15	20	25	30	35	5	10	15	20	25	30	35
50	*	2,430	3,645	4,861	6,076	24,766	28,893	1,134	2,325	3,574	4,886	6,262	7,706	9,222
55	1,899	3,797	5,696	7,595	14,447	24,766	28,893	1,274	2,610	4,013	5,485	7,030	8,651	10,353
60	2,889	5,779	8,668	11,557	14,447	24,766	28,893	1,460	2,992	4,600	6,288	8,059	9,917	11,868
65	4,128	8,255	12,383	16,510	20,638	24,766	28,893	1,710	3,504	5,388	7,364	9,439	11,616	13,901
75	4,128	8,255	12,383	16,510	20,638	24,766	28,893	2,546	5,218	8,023	10,966	14,055	17,297	20,700

### Ratio of VRS to ORP

Age at Retirement	Service						
	5	10	15	20	25	30	35
50	0.00%	104.52%	101.99%	99.49%	97.03%	321.39%	313.31%
55	149.06%	145.48%	141.94%	138.47%	205.50%	286.28%	279.08%
60	197.88%	193.15%	188.43%	183.79%	179.27%	249.73%	243.45%
65	241.40%	235.59%	229.83%	224.20%	218.65%	213.21%	207.85%
75	162.14%	158.20%	154.34%	150.56%	146.84%	143.18%	139.58%

\* Note: At age 50, VRS benefits are deferred if less than 10 years of service.