

# HYBRID PLAN CALCULATOR HELP GUIDE

## WHAT IS THE HYBRID RETIREMENT PLAN?

The Hybrid Retirement Plan is one plan with two components: a defined benefit component and a defined contribution component.

A **defined benefit plan** is what you have now. It provides a monthly benefit for vested employees based on a formula which accounts for your age, creditable compensation and length of service. It's funded by both you and your employer.

A **defined contribution plan** is primarily funded by you and your employer matches a portion of your contributions. You invest your contributions among the plan's investment options. The balance at retirement is based upon the contributions you and your employer have made, the investment results and any associated fees.

December 2013

## WELCOME TO THE HYBRID PLAN CALCULATOR



As a current member of VRS Plan 1 or Plan 2, you have the opportunity to use the Hybrid Plan Calculator to estimate your future benefits. The Hybrid Plan Calculator shows you an estimate of what you would receive if you continue in your current plan, and also shows you an estimate of what you would receive if you elected to opt into the Hybrid Retirement Plan.

The Hybrid Plan Calculator walks you through a series of steps so you can choose the assumptions to be used to calculate your future estimated benefit. Once you see the final result, you may choose to print a form that must be submitted in order to opt into the Hybrid Retirement Plan. Before you begin, use this guide to help understand the things you may wish to consider before making this irrevocable decision.

## WHO CAN USE THE HYBRID PLAN CALCULATOR?

Only eligible members will be able to access the Hybrid Plan Calculator. If you are not eligible for the hybrid plan, you will see an error message. Eligible members include:

- VRS Plan 1 and Plan 2 state, school division and political subdivision employees who are employed between January 1 and April 30, 2014;
- Deferred state, school division and political subdivision employees who return to work between January 1, 2014 and April 30, 2014.

Members of the State Police Officers' Retirement System (SPORS), employees covered under the Virginia Law Officers' Retirement System (VaLORS) and political subdivision employees who have enhanced hazardous duty benefits are not eligible to participate in the hybrid plan. Current Optional Retirement Plan (ORP) participants are not eligible to opt into the Hybrid Retirement Plan.

## KEY POINTS TO REMEMBER

- If you wish to remain in your current plan, you do not have to take any action.
- If you choose additional voluntary contributions in your estimate and you opt into the Hybrid Retirement Plan, these voluntary contributions begin on July 1, 2014.
- The estimates created in the Hybrid Plan Calculator are for estimate purposes only. For example, if you choose to contribute a different amount or your actual rate of return varies from your expected return, then your ultimate benefit results will be different.
- If you are not making the full 4% voluntary defined contribution, your contribution will be increased by 0.5% every three years unless you opt out of the automatic escalation. Estimates created in the Hybrid Plan Calculator *do not* include automatic escalation.

## THINGS TO CONSIDER



This guide walks you step-by-step through the Hybrid Plan Calculator. You can adjust your assumptions in the calculator to compare estimates of your future benefits for your current plan and for the Hybrid Retirement Plan.

Before you create an estimate, consider the following as you decide whether to opt into the Hybrid Retirement Plan:

### □ **The choice is irrevocable after April 30, 2014**

If you decide to opt into the Hybrid Retirement Plan, you'll need to complete the Election of VRS Hybrid Retirement Plan (VRS-120). If multiple requests are received, VRS will process the last request we have on file as of April 30, 2014. Your election must be postmarked by April 30, 2014

### □ **Defined benefit service under the Hybrid Retirement Plan is calculated at a 1% multiplier**

When you retire, your monthly benefit for the defined benefit portion of the Hybrid Retirement Plan is calculated using a 1% multiplier for any service earned, granted or purchased after July 1, 2014.

### □ **Your disability coverage may change**

If you opt into the Hybrid Retirement Plan, you will be covered by the Virginia Sickness and Disability Program (VSDP) for state employees, the Virginia Local Disability Program (VLDP) or your employer's comparable plan for political subdivision and school board employees. There is a one-year waiting period for non-work related disabilities. If you are currently in VSDP and have one year of continuous service with your employer, the waiting period is satisfied. There is no disability retirement under the Hybrid Retirement Plan.

### □ **You control your investments**

With the Hybrid Retirement Plan, you invest the contributions you and your employer make to the defined contribution component. In the event you don't actively choose from the wide range of available investment options, your contributions will be invested in a Target Date Portfolio, based on your date of birth and a projected retirement age of 65. You may change your voluntary contribution amount once each quarter. You can change your investment options any time you wish.

### □ **The Hybrid Retirement Plan is portable**

If you leave VRS-covered employment, you may request a distribution of your defined contribution funds. You are eligible for all of the money you contributed and some or all employer contributions, depending on whether you are vested.

# ACCOUNT HOME PAGE

To access the Hybrid Plan Calculator, log into *myVRS*.



 **JOHN Q TEST**  
 Tuesday, October 29, 2013  
 Last Login: October 23, 2013 09:30 AM

Account Home

Benefit Estimator

Retirement Planner

Update Personal Profile

**Open Requests**

Purchase of Prior Service Information

Employment History

Compensation History

Service & Contributions

Life Insurance

Member Benefit Profile (MBP)

### Online Account Summary

#### YOUR VRS DEFINED BENEFIT ACCOUNT SUMMARY AS OF 06/30/2013

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**Your Service**

Your Plan for Retirement Purposes:	Plan 2
Membership Date:	02/01/2008
Total Service:	5 yrs 6 mos

**Your Member Contributions**

Total Funds in Your Member Contribution Account:	\$13,692.81
Taxable Contributions and Interest:	\$13,692.81
After-Tax Contributions:	\$0.00
Amount Available for Refund: (After leaving covered employment)	\$13,692.81

Note: If you have less than 5 years of service, the amount available for refund may be less than the total account balance; it will be reduced by contributions paid by your employer on your behalf after July 1, 2010.

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**Your Projected Monthly Retirement Benefit**

With an UNREDUCED Benefit		With a REDUCED Benefit	
Age at Retirement:	67 yrs 0 mos	Age at Retirement:	60 yrs 1 mos
Retirement Date:	02/01/2028	Retirement Date:	03/01/2021
Service at Retirement:	20 yrs 0 mos	Service at Retirement:	13 yrs 1 mos
Average Final Compensation (AFC):	\$46,964.00	Average Final Compensation (AFC):	\$46,964.00
Estimated Monthly Benefit:	\$1,301.13	Estimated Monthly Benefit:	\$519.53

 **Explore Opting into the Hybrid Plan**

**Hybrid Plan Calculator**

Click on the link to bring up the Hybrid Plan Calculator in a new window. If you are not eligible to opt into the Hybrid Retirement Plan, you'll receive a message and won't be able to view the calculator.

# OVERVIEW

**Resources**

Links to this guide and the VRS Plan Comparison Guide are available on every page.

**Virginia Retirement System**

## Helping Members Plan for Tomorrow, Today

Resources

[Hybrid Plan Calculator Help Guide](#) 210kb

[VRS Plan Comparison Guide](#) 120kb

**Hybrid Plan Calculator**

1 Overview 2 Estimate Options 3 Results Summary 4 Modify Assumptions 5 Detailed Results 6 Decision

The Hybrid Retirement Plan Calculator provides an estimate that compares your future service retirement benefits under the current plan compared to an estimated future benefit under the Hybrid Retirement Plan.

**Current Plan: VRS Plan 2**

- Membership date is on or after July 1, 2010, or before July 1, 2010 and not vested as of January 1, 2013
- Provides an estimated monthly benefit during retirement based on:
- Provides a monthly benefit during retirement based on:
  - age
  - service credit
  - average final compensation

[VRS Plan 2 Details](#)

**Hybrid Retirement Plan**

- Most VRS Plan 1 and Plan 2 members may opt into the plan from January 1 through April 30, 2014.
- The defined benefit component provides an estimated monthly benefit during retirement based on
  - age
  - service credit
  - average final compensation
- The defined contribution component is based on contributions and the investment performance on contributions
- Members manage investments and related risks in the defined contribution component

[Hybrid Retirement Plan Details](#)

[Next >>](#)

**Plan Descriptions**

Additional information about your current plan and the Hybrid Retirement Plan are available by clicking the Details links.

**Disclaimer:** These projections are estimated based on information currently in your VRS member record, the options you select in the Hybrid Plan Calculator, policies in effect at the time that you use this on-line tool, and may not reflect your actual benefit. VRS will determine your actual benefit when you submit your retirement application. Some Hybrid Retirement Plan provisions used in the calculator are subject to pending technical amendments to the current provisions in the Code of Virginia.

**Disclaimer**

The projections created in the Hybrid Plan Calculator are for estimate purposes only. For example, if you choose to contribute a different amount or your actual rate of return does not match your expected return, your ultimate benefit results will be different.

# ESTIMATE OPTIONS



## Helping Members Plan for Tomorrow, Today

### Hybrid Plan Calculator

① Overview ② **Estimate Options** ③ Results Summary ④ Modify Assumptions ⑤ Detailed Results ⑥ Decision

**Estimate Options**

- I plan to work in a VRS-covered position until I'm eligible to retire with an unreduced benefit.
- I anticipate leaving VRS-covered employment before retirement, but still would like to compare my deferred retirement at my normal retirement age.
- I anticipate leaving VRS-covered employment before retirement with the intent of taking a refund of my vested account balance rather than deferring my accrued benefit until my normal retirement age.

Calculations will be based on your Earliest Unreduced Retirement Dates:

VRS Plan 2	Hybrid Plan
2/1/2028	2/1/2028

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**Unreduced Retirement**  
Select this option if you plan to continue to work in a VRS-covered position until your earliest unreduced retirement date.

**Deferred Retirement**  
Select this option if you plan to leave your VRS-covered position before your retirement date, but retire when you become eligible at your earliest unreduced retirement date. You will be prompted to enter a separation date.

**Refund**  
Select this option if you plan to leave your VRS-covered position before your retirement date and take a refund of your contributions. You will be prompted to enter a separation date.

# RESULTS SUMMARY - YOUR PROJECTIONS

The following slides walk through the scenario where you plan to work until your unreduced retirement date.

**Virginia Retirement System** Helping Members Plan for Tomorrow, Today

Resources  
[Hybrid Plan Calculator Help Guide](#) 210kb  
[VRS Plan Comparison Guide](#) 120kb

**Hybrid Plan Calculator**

① Overview ② Estimate Options ③ **Results Summary** ④ Modify Assumptions ⑤ Detailed Results ⑥ Decision

These estimates are based on contributing 5 percent of your compensation toward your retirement benefit, which is the minimum member contribution required for both the current plan and the Hybrid Retirement Plan.

**Your Assumptions**  
 Select this tab to see the assumptions used in the estimate. See the next page for a detailed description of the assumptions.

**VRS Plan 2 Projections**  
**Basic Defined Benefit** estimate: **\$1,362.97** per month beginning February 01, 2028.

**Hybrid Retirement Plan Projections**  
**Basic Defined Benefit** estimate: **\$1,003.22** per month beginning February 01, 2028.  
 If you convert your defined contribution component account balance into a monthly annuity, you may receive an additional \$104.69 per month as of the date shown above.

**Plan Projections**  
 Your estimated monthly amount is displayed for both your current plan and the Hybrid Retirement Plan.

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**Disclaimer:** These projections are estimated based on information currently in your VRS member record, the options you select in the Hybrid Plan Calculator, policies in effect at the time that you use this on-line tool, and may not reflect your actual benefit. VRS will determine your actual benefit when you submit your retirement application. Some Hybrid Retirement Plan provisions used in the calculator are subject to pending technical amendments to the current provisions in the Code of Virginia.

If the Hybrid Retirement Plan estimate is less than the estimate for your current plan, the amount of additional contributions needed to make up the difference is displayed. To make up the difference, you may need to contribute to another savings plan outside of VRS in addition to the defined contribution component of the hybrid plan.

# RESULTS SUMMARY - YOUR ASSUMPTIONS

Based on the current information in your member record, the calculator projects your expected earliest unreduced retirement date and corresponding estimated retirement benefits. Since your current plan may have different age and service requirements for retirement, these dates could be different.

	Plan 2	Hybrid
Earliest Unreduced Retirement Date	2/1/2028	2/1/2028
Age at Earliest Unreduced Retirement Date	67 Yrs. 0 Mos.	67 Yrs. 0 Mos.
Service at Earliest Unreduced Retirement Date	20 Yrs. 0 Mos.	20 Yrs. 0 Mos.
Anticipated Salary Increase	0 %	0 %
Est. Average Final Compensation	\$49,196.00	\$49,196.00
Additional Voluntary Contribution Percentage	N/A	0.0 %
Expected Annual Rate of Return on Defined Contribution Assets	N/A	6 %
Defined Contribution Component Balance at Earliest Unreduced Retirement Date	*N/A	\$20,143.38
Projected Defined Contribution Component Balance Converted to Monthly Annuity	*N/A	\$104.69

\*These projections do not include any balances in the Commonwealth of Virginia 457 Deferred Compensation Plan or any other supplemental plan your employer may offer.

**Modify Assumptions**

The default assumption is that you will not receive an annual salary increase, but you can model an anticipated annual increase of 1 - 5% per year.

The default assumption is that you will contribute the 1% mandatory contribution to the defined contribution component and no additional voluntary contributions. You can modify the assumption to include 0.5—4.0% voluntary contributions.

The default assumption is that you will earn a 6% rate of return on the defined contribution component of the Hybrid Retirement Plan. You can modify the assumption for a rate of return from 1—10%.

The calculator shows the balance of your defined contribution component at your earliest unreduced retirement date in two ways—as a lump sum and as an estimated monthly annuity, beginning at retirement.

**Modify Assumptions**  
Select Modify Assumptions or Next to change your assumptions.

# MODIFY ASSUMPTIONS



## Helping Members Plan

for Tomorrow, Today

[Resources](#)  
[Hybrid Plan Calculator Help Guide](#) 210kb  
[VRS Plan Comparison Guide](#) 120kb

Hybrid Plan Calculator

① Overview

② Estimate Options

③ Results Summary

④ **Modify Assumptions**

⑤ Detailed Results

⑥ Decision

You can make changes to the assumptions used and see how these changes impact your estimated retirement benefit in the detailed results. Changes to the values below are for comparative purposes only and will not change your current VRS records.

Modify Assumptions Used

- Anticipated Annual Salary Increase:
- Additional Voluntary Contributions to the Defined Contribution Component:
- Expected Annual Rate of Return on Defined Contribution Assets:

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**Anticipated Annual Salary Increase**

If you expect to receive an annual raise, include a salary increase in your estimate up to 5%. For the purposes of the estimate, your salary will be increased by this percentage each year until your retirement date. This is not a one-time salary increase.

**Additional Voluntary Contributions**

Choose additional voluntary contributions to the defined contribution component, up to 4%. The calculator assumes you will make this same level percentage from July 1, 2014 when you begin plan participation until your retirement date. The additional voluntary contributions will increase the amount deducted from your paycheck.

**Expected Annual Rate of Return**

Select an annual rate of return for the defined contribution assets from 0% to 10%. If the actual return on your investment choices does not match your expected returns, the resulting balance upon retirement will differ from the estimate. Keep in mind that the default option is 6%.

# DETAILED RESULTS

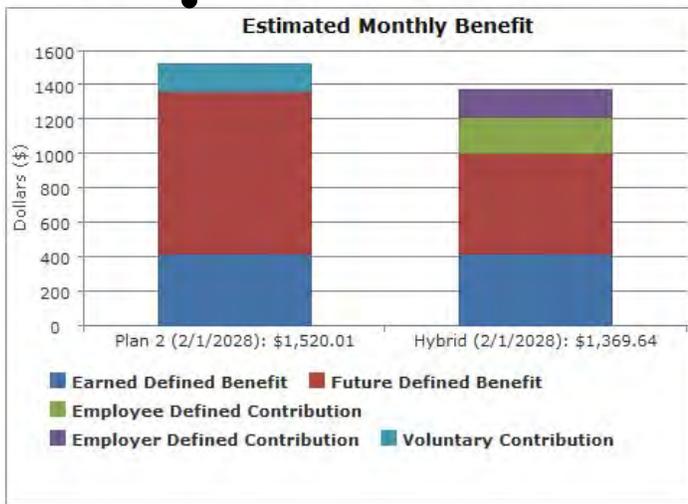


**Estimated Monthly Benefit**

The bar chart shows the components that make up your estimated retirement benefit. See the next page for additional explanation.

**About Your Results**

This scrolling region includes a detailed description of your retirement benefit estimates.



**About Your Results**

**Current Plan** - If you work in a VRS-covered position until your first eligible unreduced retirement date, your estimated monthly benefit is **\$1,362.97**.

The estimated monthly defined benefit is based on your creditable compensation, the age you first become eligible for an unreduced benefit and your current VRS service. The future monthly defined benefit shown is based on projected salary and expected future service.

**Hybrid Retirement Plan** - If you opt into the Hybrid Retirement Plan and work until your first eligible unreduced retirement date, the estimated amount of your projected monthly benefit from the defined benefit component is **\$1,003.22**, beginning **February 01, 2028**.

The defined benefit component includes your accrued benefit under VRS Plan 2 through July 1, 2014 with a 1.65% multiplier, plus future

Your Projections | Your Assumptions

### VRS Plan 2 Projections

**Basic Defined Benefit estimate: \$1,362.97** per month beginning February 01, 2028.

The additional amounts shown as Voluntary Contributions in the current plan are not part of your VRS benefit, but savings from an outside source.

### Hybrid Retirement Plan Projections

**Basic Defined Benefit estimate: \$1,003.22** per month beginning February 01, 2028.

If you convert your defined contribution component account balance into a monthly annuity, you may receive an additional \$366.42 per month as of the date shown above.

Based on your current voluntary contribution election, your monthly retirement contribution to the defined contribution component increases from \$20.50 to \$81.99 per pay period.

**Plan Projections**

This is the same information included on the Results Summary page.

**Important Point**

The voluntary contributions you select in this calculator will begin to be deducted from your paycheck each pay period, beginning July 1, 2014.

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**Disclaimer:** These projections are estimated based on information currently in your VRS member record, the options in effect at the time that you use this on-line tool, and may not reflect your actual benefit. VRS will determine your actual benefit upon your retirement application. Some Hybrid Retirement Plan provisions used in the calculator are subject to pending technical amendments to the Virginia Retirement System Code of Virginia.

# DETAILED RESULTS BAR CHART

## Voluntary Contribution

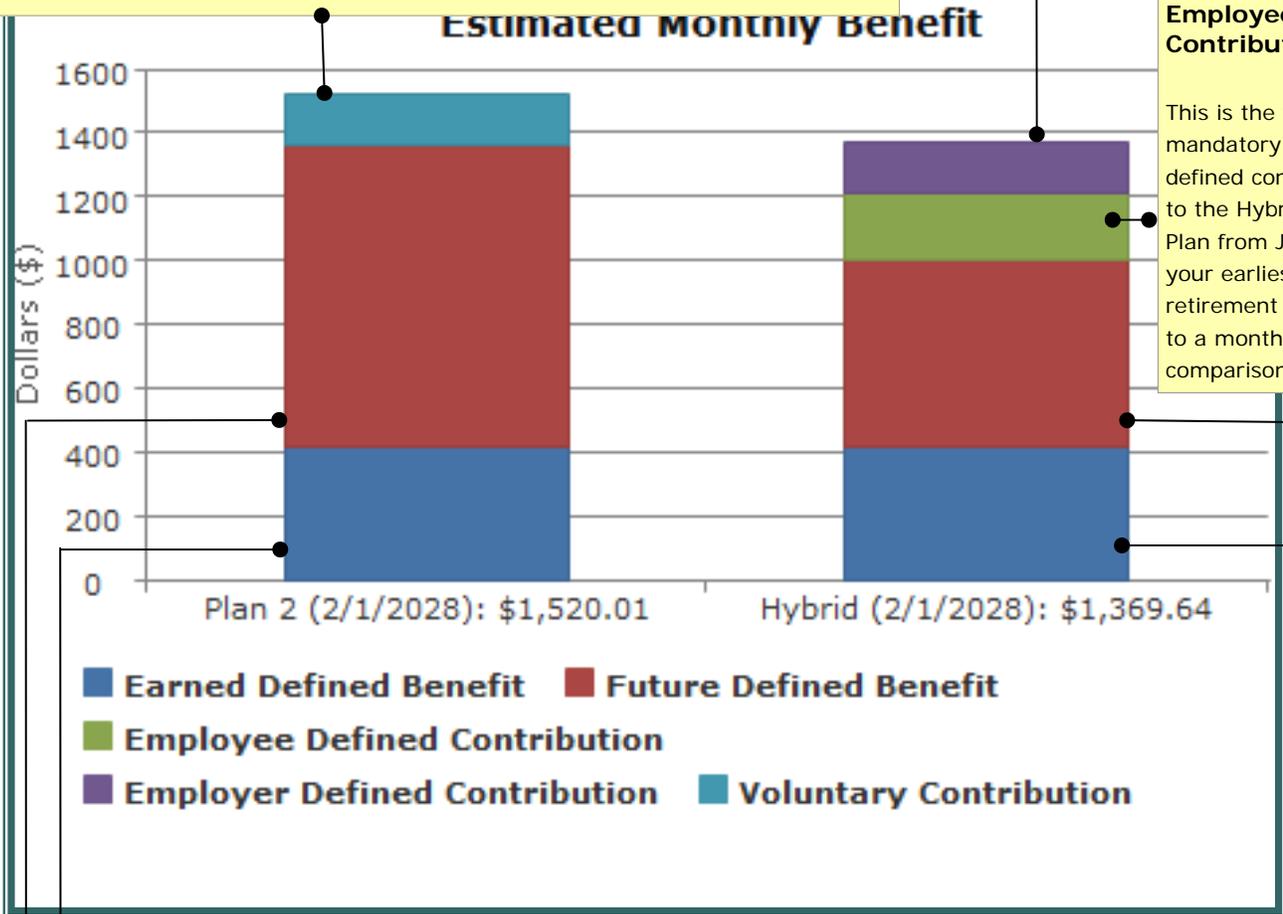
In scenarios where you elect a voluntary contribution for the defined contribution component, this calculator will also show the value of the additional contribution if you were to remain in your current plan and invest the elected voluntary contribution in an outside savings vehicle other than VRS. Keep in mind that the information is for comparison purposes only. Your actual benefit in Plan 1 or Plan 2 will not include this amount. Contributions would be made from July 1, 2014 until your earliest unreduced retirement date converted to a monthly benefit for comparison purposes.

## Employer Defined Contribution

This is the total of all employer mandatory contributions and the employer match made to the Hybrid Retirement Plan from July 1, 2014 until your earliest unreduced retirement date converted to a monthly benefit for comparison purposes..

## Employee Defined Contribution

This is the total of all your mandatory and voluntary defined contributions made to the Hybrid Retirement Plan from July 1, 2014 until your earliest unreduced retirement date converted to a monthly benefit for comparison purposes.



## Earned Defined Benefit

This is the total of the defined benefit amount that you will have earned as of July 1, 2014.

## Future Defined Benefit

This is the total of the defined benefit amount that you will earn from July 1, 2014 until your earliest unreduced retirement date.

# DECISION

**Virginia Retirement System** Helping Members Plan for Tomorrow, Today

**Hybrid Plan Calculator**

Resources: [Hybrid Plan Calculator Help Guide](#) 210kb, [VRS Plan Comparison Guide](#) 120kb

① Overview ② Estimate Options ③ Results Summary ④ Modify Assumptions ⑤ Detailed Results ⑥ **Decision**

**Remain in Your Current Plan**  
No action is required to remain in your current plan. You may exit at any time.

**Opt Into the Hybrid Retirement Plan**  
If you would like to make an irrevocable decision to opt into the Hybrid Retirement Plan, complete and mail the form below to VRS. The form must be postmarked by April 30, 2014.

**Exit**      **Back**      **Yes - Get the Form**

If you have questions about the Hybrid Retirement Plan or this calculator, please call VRS toll free at 1-855-291-2285 for assistance.

**Remain in Your Current Plan**  
If you decide not to opt into the Hybrid Retirement Plan and remain in your current plan, you can select Exit to leave the calculator and remain in your current plan. You may also select Back to go back into your current estimate to make modifications.

**Opt Into the Hybrid Retirement Plan**  
If you decide to opt into the Hybrid Retirement Plan, select Yes—Get the Form to create the *Election of VRS Hybrid Retirement Plan (VRS-120)*. Selecting the button does not commit you to opting into the hybrid plan. To opt into the hybrid plan, you must print, sign and return the form to VRS **postmarked by April 30, 2014** to opt in.

# VRS-120

The VRS-120 is pre-populated with your elections from the calculator. Sign and mail the form to VRS postmarked by April 30th, 2014. **Any voluntary contributions you selected in the calculator will be deducted each pay period, beginning July 1, 2014.**

## ELECTION OF VRS HYBRID RETIREMENT PLAN



**VIRGINIA RETIREMENT SYSTEM**  
P.O. Box 2500 • Richmond, Virginia 23218-2500  
Toll Free 1-855-291-2285  
[www.varetire.org](http://www.varetire.org)

1. Employer Code	30158
2. Employer Name	Test Employer

VRS Plan 1 and Plan 2 members who are actively employed (and members with an existing VRS account balance who are rehired into a VRS-covered position between January 1, 2014 and April 30, 2014) may make an *irrevocable* election to be a member of the VRS Hybrid Retirement Plan. Note: This election is not available to members of an Optional Retirement Plan (ORP), the Judicial Retirement System (JRS), State Police Officers Retirement System (SPORS), Virginia Law Officers Retirement System (VaLORS) and VRS members with enhanced benefits for hazardous duty.

To elect the VRS Hybrid Retirement Plan, sign and submit this form to VRS. The form must be postmarked no later than April 30, 2014. Your effective date of coverage in the hybrid plan will be July 1, 2014.

### PART A. MEMBER INFORMATION

2. Name (First, Middle Initial, Last)	V11122233
John Q Test	

3. Assumptions used for your election (as identified in the transfer calculator)	
Anticipated Retirement Date: 2/1/2028	Current Salary: \$49,196.00
Expected Monthly Hybrid Retirement Benefit: \$1,369.64	Anticipated Annual Salary Increase: 0 %
Anticipated Rate of Return on Defined Contribution Account: 6 %	
Additional Voluntary Contribution Percentage: 3.0 %	
Voluntary Contribution Payroll Deduction starting in July 2014: \$61.49	
Important: Any additional voluntary contribution percentage you selected will be entered into the VRS system and your employer will begin the necessary payroll deductions based on this percentage as of July 1, 2014.	

4. Election of VRS Hybrid Retirement Plan Coverage	
I hereby elect to be covered by the VRS Hybrid Retirement Plan effective July 1, 2014. I understand the following:	
<ul style="list-style-type: none"> <li>This election is irrevocable. I cannot return to the VRS Plan 1 (VRS) plan at any point in the future.</li> <li>I will retire under the hybrid plan provisions except at the time of retirement which currently includes a 1.0 percent multiplier.</li> <li>If I elect to participate in the VRS Hybrid Retirement Plan, I am not eligible for disability retirement benefits from VRS.</li> <li>If I am employed by a state or local government, I will be covered by the Virginia Sickness and Disability Program (VSDP) regardless of any previous elections I made to participate in the program.</li> <li>If I am employed by a state division or political subdivision, I will be covered by the Virginia Local Disability Program (VLDP) or a comparable plan provided by my employer. For VLDP coverage, a 1-year waiting period for benefits may apply.</li> <li>I will be required to contribute a minimum of 4 percent of my creditable compensation into the defined benefit plan and 1 percent into the defined contribution plan.</li> <li>I may voluntarily contribute up to an additional 4 percent of my creditable compensation to the defined contribution plan and my voluntary contribution rate may be changed quarterly. My employer is required to match a percentage of my voluntary contributions.</li> <li>I will not be 100 percent vested to the contributions my employer makes to my defined contribution plan until I have four years of active participation in a VRS plan.</li> <li>If I leave covered employment before I am 100 percent vested and I take a distribution from the defined contribution plan, I will forfeit any unvested portion of funds contributed by my employer.</li> <li>The additional voluntary contributions I selected during the evaluation process as shown in Box 3 will be effective as of July 1, 2014 and that percentage cannot be increased or decreased until the next calendar quarter.</li> <li>I understand the benefit information presented in Box 3 is an estimate only and my actual benefit may vary based on my investment decisions, contributions and market fluctuation.</li> </ul>	
Member Signature _____	Date _____



# ESTIMATE OPTIONS — DEFERRED AND REFUND SCENARIOS

There are two additional scenarios in the calculator.

**Virginia Retirement System** Helping Members Plan for Tomorrow, Today

## Hybrid Plan Calculator

① Overview ② **Estimate Options** ③ Results Summary ④ Modify Assumptions ⑤ Detailed Results ⑥ Decision

**Estimate Options**

- I plan to work in a VRS-covered position until I'm eligible to retire with an unreduced benefit.
- I anticipate leaving VRS-covered employment before retirement, but still would like to compare my deferred retirement at my normal retirement age.
- I anticipate leaving VRS-covered employment before retirement with the intent of taking a refund of my vested account balance rather than deferring my accrued benefit until my normal retirement age.

\* Anticipated separation date.  
January [dropdown] [input field]

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If you anticipate that you will leave VRS-covered employment before your retirement date, but do not wish to take a refund, you should run this scenario. After you enter an anticipated separation date, the calculator will work in the same way as the retirement scenario.

If you anticipate that you will leave VRS-covered employment before your retirement date and plan to take a refund of your defined benefit contributions and interest, you should run this scenario. The calculator walks you through the same steps as the other scenarios, but the results will compare lump sum payouts rather than monthly benefits.

When you take a refund, your membership in VRS is cancelled and you will no longer be eligible for a retirement benefit.

# REFUND ASSUMPTIONS

The following pages walk through the tool if you plan to leave covered employment expecting to take a refund at the separation date you choose.



Resources

[Hybrid Plan Calculator Help Guide](#) 210kb

[VRS Plan Comparison Guide](#) 120kb

## Hybrid Plan Calculator

- ① Overview
- ② Estimate Options
- ③ Results Summary
- ④ Modify Assumptions
- ⑤ Detailed Results
- ⑥ Decision

These estimates are based on contributing 5 percent of your compensation toward your retirement, which is the minimum member contribution required for both the current plan and the Hybrid Retirement Plan.

- Your Projections
- Your Assumptions

Your current information as reported by your employer:

**Date of Birth:** 2/25/1961

**Current Salary:** \$49,196.00

**Date of Membership:** 2/1/2008

### Compare Your Refund Assumptions

	Plan 2	Hybrid
<b>Separation Date</b>	1/1/2015	1/1/2015
<b>Anticipated Salary Increase</b>	0.00 %	0.00 %
<b>Additional Voluntary Contribution Percentage</b>	N/A	0.0 %
<b>Expected Annual Rate of Return on Defined Contribution Assets</b>	N/A	6 %
<b>Defined Contribution Component Balance at Date of Separation</b>	*N/A	\$393.62
<b>Projected Defined Contribution Component Balance Converted to Monthly Annuity</b>	*N/A	N/A

\*These projections do not include any balances in the Commonwealth of Virginia 457 Deferred Compensation Plan or any other supplemental plan your employer may offer.

The default assumption is that you will not receive an annual salary increase.

The default assumption is that you will not contribute additional voluntary contributions to the defined contribution component of the Hybrid Retirement Plan.

The default assumption is that you will earn a 6% rate of return on the defined contribution component of the Hybrid Retirement Plan.

The calculator shows the balance of your defined contribution component at the separation date you chose as a lump sum and as an estimated monthly annuity.

**Disclaimer:** They are based on the information currently in your VRS member record, the options you select in the Hybrid Plan Calculator and policies in effect at the time you use this online tool, and may not reflect the actual refund you would receive after leaving VRS-covered employment. The actual refund will be determined when VRS processes your Defined Benefit Request for Refund form.

# REFUND DETAILED RESULTS

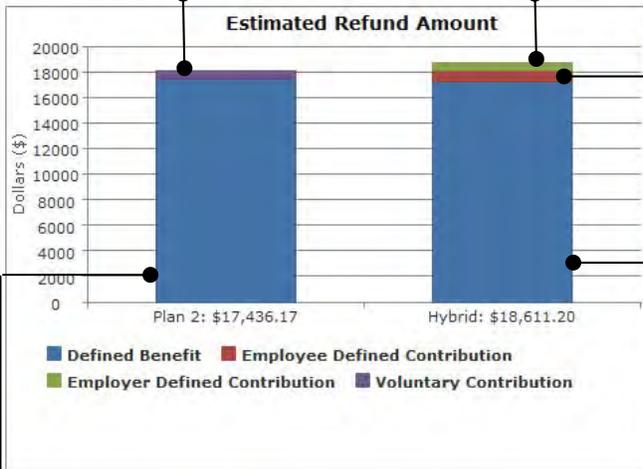


**Voluntary Contribution**

This is amount of voluntary contributions you selected in the Assumptions page, which you would make to a savings vehicle outside of VRS. Keep in mind that the information is for comparison purposes only. Your actual benefit in Plan 1 or Plan 2 will not include this amount.

**Employer Defined Contribution**

This is the accumulated balance of your employer matching contributions made from July 1, 2014 until the date of your anticipated separation.



**Employee Defined Contribution**

This is the accumulated balance of your mandatory and voluntary contributions from July 1, 2014 until the date of your anticipated separation.

**Hybrid Retirement Plan** - If you opt into the Hybrid Retirement Plan and work until the selected separation date, the estimated refund of your defined benefit contributions, with annual 4% interest, is **\$18,611.20**.

The current estimated defined benefit refund is based on your current

Your Projections     Your Assumptions

**VRS Plan 2 Projections**

**Refund Defined Benefit**

This is the accumulated value of your defined benefit employee contributions with interest through your anticipated date of separation.

**Hybrid Retirement Plan Projections**

**Refund Estimate: \$18,611.20** on January 01, 2015

You can expect to receive an estimated refund of contributions and interest of \$17,233.53 from the defined benefit component and a distribution of \$1,377.68 from the defined contribution component of the Hybrid Retirement Plan.

Based on your current voluntary contribution election, your monthly retirement contribution to the defined contribution component increases from \$20.50 to \$81.99 per pay period.

**Important:** Taking a refund cancels your membership and eligibility for any future benefits. If you have your refund paid directly to you, the funds may be subject to federal and state taxes, and an early withdrawal tax from the IRS. You MUST read the [IRS 402\(f\) Special Tax Notice](#).

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**Disclaimer:** They are based on the information currently in your VRS member record, the options you select in the Hybrid Plan Calculator and policies in effect at the time you use this online tool, and may not reflect the actual refund you would receive after leaving VRS-covered employment. The actual refund will be determined when VRS processes your Defined Benefit Request for Refund form.

## FINAL STEPS

### RESOURCES

To learn more about the Hybrid Retirement Plan, the **VRS Plan Comparison Guide** is located in the Resources section of the Hybrid Plan Calculator. This guide compares Plan 1, Plan 2 and Hybrid Retirement Plan benefits.

In addition, the **VRS Hybrid Retirement Plan Overview** provides information about the hybrid plan and things you should consider when making your decision. This recorded webinar is available on the VRS website under the Member tab, in Education and Counseling.

VRS is conducting live sessions around the state from January—April, 2014. This session provides information about the hybrid plan, presents things to consider as you make your decision and walks through the Hybrid Plan Calculator. Register for this **Hybrid Retirement Plan Presentation for Members** on the VRS website under the Member tab, in Education and Counseling.

Both your employer and the VRS Hybrid Support Team can assist you with the Hybrid Plan Calculator.

### SUBMITTING THE VRS-120



If you decide to opt into the Hybrid Retirement Plan, you must print the Election of VRS Hybrid Retirement Plan (VRS-120). The form is pre-filled with the as-

sumptions you used in the calculator.

To enroll in the Hybrid Retirement Plan, **the VRS-120 must be mailed to VRS and postmarked no later than April 30, 2014**. Remember, the election is irrevocable after April 30th, 2014 so consider all of the factors while making the decision.

If you opt into the hybrid, you will receive an acknowledgement letter advising you that your election form has been received and processed. **You will transfer into the Hybrid Retirement Plan on July 1, 2014.**



Virginia  
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**NEED HELP?**

**Need help using the Hybrid Plan Calculator?** Your employer can assist you with the calculator or you can call VRS toll free at 1-855-291-2285 from 8:30 a.m. to 5:00 p.m., Monday through Friday, or e-mail VRS at [vrshybridssupport@varetire.org](mailto:vrshybridssupport@varetire.org). You will receive a reply within two business days. **IMPORTANT E-MAIL NOTICE:** Do not send personal or confidential information, such as your Social Security number, through e-mail even when you are logged into your *myVRS* online account. VRS will send only non-confidential replies.