



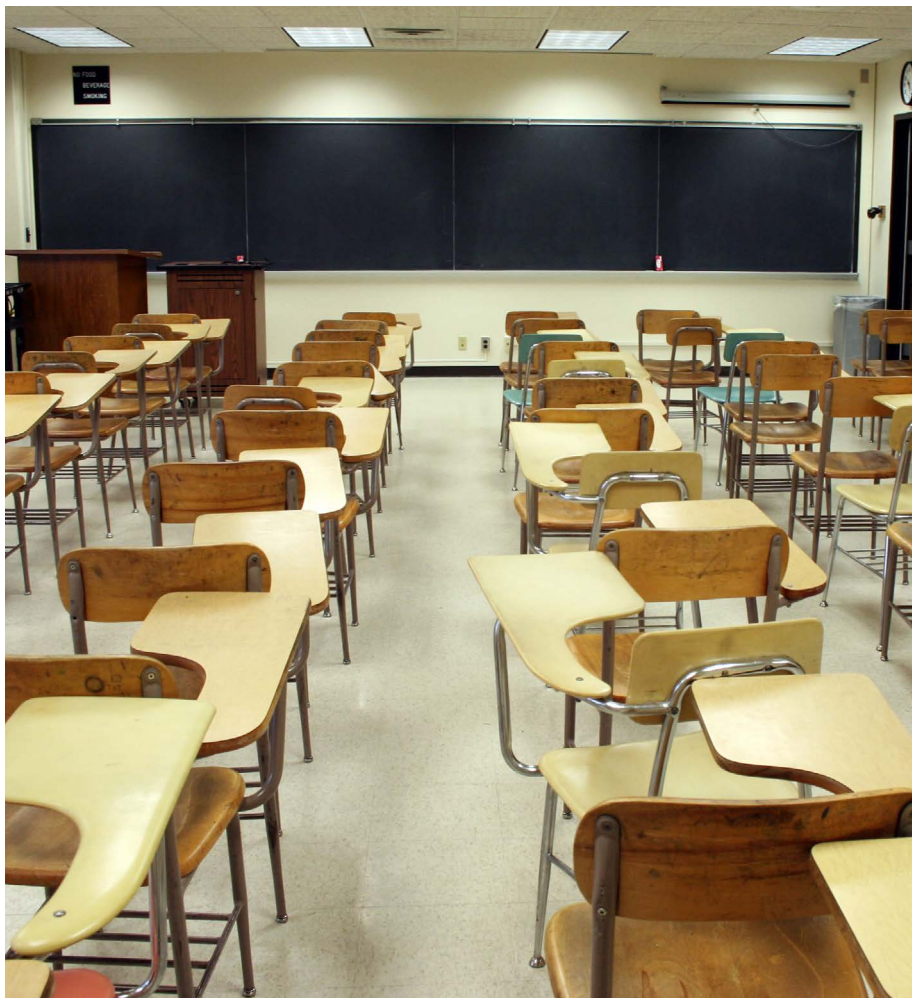
Virginia
Retirement
System



Choosing Your Retirement Plan

- Optional Retirement Plan for School Superintendents Plan 1
- VRS Plan 1

Membership Date: Before July 1, 2010



**A comparison guide
to help you select
the best plan
for your needs**



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- **Optional Retirement Plan for School Superintendents Plan 1**
- **VRS Plan 1**

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This comparison guide is designed to help newly appointed school superintendents choose between the Optional Retirement Plan for School Superintendents (ORPSS) Plan 1 and the Virginia Retirement System defined benefit plan (VRS Plan 1).

Table of Contents

	Page
Introduction	3
Choosing Your Retirement Plan	4
Defined Contribution Plan: ORPSS Plan 1	4
Defined Benefit Plan: VRS Plan 1	4
Comparing Plans	5
Selecting a Plan	12
If You Choose ORPSS Plan 1	12
If You Choose VRS Plan 1	12
Investment Options	13
Your Selection	13
VRS vs. ORPSS Benefit Illustrations	14
Glossary of Terms	14
Methodology	14
Benefit Illustrations	15

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January 2017

Introduction

As a newly appointed school superintendent whose employer adopted the Optional Retirement Plan for School Superintendents (ORPSS), you are eligible to choose between ORPSS Plan 1, a defined contribution plan, and Virginia Retirement System (VRS) Plan 1, a defined benefit plan. Your employer notifies VRS of your appointment, and VRS sends you an information packet and ORPSS election forms. If you do not select ORPSS within 30 days of receiving this information, you will be covered by VRS Plan 1.

You are eligible for VRS Plan 1 if your membership date* is before July 1, 2010; you were vested (with at least five years of VRS service and/or ORPSS participation) as of January 1, 2013; and you have not taken a refund. Under this plan, your retirement benefit is based on your age, service credit and average final compensation at retirement using a formula.

To see an estimate of your VRS member benefits, create a secure myVRS account at www.varetire.org. Your myVRS account shows your total service credit, funds in your member contribution account and a projected monthly retirement benefit based on your VRS Plan 1 service.

If you move between VRS-participating employers that both offer ORPSS, you are eligible to choose between VRS Plan 1 and ORPSS again.

If you move from a position where you were covered under VRS Plan 1 and are choosing ORPSS, you may transfer the funds in your VRS member contribution account to your ORPSS account.

If you move from one VRS-participating employer to another and elect VRS Plan 1 in both positions, your VRS service credit continues.

If you move from a position where you elected ORPSS and now elect VRS Plan 1, your ORPSS account remains in place, and you may not take a direct distribution or rollover until you leave covered employment.

* *Membership is based on the date you are first reported to VRS in a covered position. If you have previous VRS service but took a refund, your membership date is the date you return to covered employment.*

Choosing Your Retirement Plan

Preparing for retirement is about having enough income to live comfortably after you retire. Most financial planning experts recommend 80 percent of your current earnings as a retirement income target. As a school superintendent whose employer has elected to provide ORPSS, you have the option to choose between two retirement plans.

Defined Contribution Plan: ORPSS Plan 1

ORPSS is a defined contribution plan where vesting is immediate: the total balance in your account is available to you when you leave covered employment and are not re-employed by a VRS-participating employer offering retirement benefits under Title 51.1 of the *Code of Virginia*. Your retirement benefit is based on contributions to the plan, adjusted for gains, losses and fees. You choose how the contributions will be invested from a range of options. You bear the investment risk, and the amount of your benefit depends on the net investment earnings.

There are a number of factors to consider when selecting a plan:

- How long do you plan to work for a VRS-participating employer?
- Is portability important to you?
- What is your estimated defined benefit under VRS Plan 1?
- Are you comfortable with the idea of being responsible for investing?

For more information, see the *Handbook for Participants in The Commonwealth of Virginia Optional Retirement Plan for School Superintendents* available at www.varetire.org under the Defined Contributions tab.

Defined Benefit Plan: VRS Plan 1

VRS Plan 1 is a defined benefit plan that provides a monthly benefit during retirement based on your age, total service credit and average final compensation. Average final compensation is the average of your 36 consecutive months of highest compensation as a covered employee. Creditable compensation is your annual salary not including overtime pay, payment of a temporary nature or payments for extra duties such as pay for teachers who provide coaching or act as an advisor for special activities.

Your benefit is funded through member and employer contributions to VRS, which are invested during your career. You contribute 5 percent of your compensation each month to your member contribution account on a pre-tax salary reduction basis. Your employer makes a separate contribution based on the payroll of all covered employees.

Vesting is the minimum length of service needed to qualify for a retirement benefit. You become vested when you have at least 60 months (five years) of service credit. Once you are vested, you are eligible for a retirement benefit if you meet the age and service requirements for your plan. Normal retirement age under VRS Plan 1 is age 65. You become eligible for an unreduced retirement benefit at age 65 with at least five years of service credit or at age 50 with at least 30 years of service credit. You may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit. To determine your reduced benefit, VRS applies an early retirement reduction factor to the benefit you would receive if you retire with an unreduced benefit.

For more information, see the *Virginia Retirement System Plan 1 Handbook for Members* available at www.varetire.org.

Comparing Plans

The following summary gives you a general comparison of the two plans, based on stated assumptions:

Subject	VRS Plan 1	ORPSS Plan 1
Type of Plan	VRS Plan 1 is a defined benefit plan. Your monthly benefit at retirement is based on your age, total service credit and average final compensation, which is the average of your 36 consecutive months of highest compensation as a covered employee.	ORPSS Plan 1 is a defined contribution plan. Your retirement benefit depends on the contributions provided to the plan and the investment performance of those contributions. At retirement, a participant may start receiving distributions from the balance in his or her account, reflecting the contributions, investment gains or losses and any required fees.
Contributions	You contribute 5 percent of your compensation each month to your member contribution account on a pre-tax, salary-reduction basis. Your contributions are tax-deferred until you withdraw them as part of your retirement benefit. Your account accrues 4 percent interest, which is compounded annually on the balance as of the previous June 30. Your employer makes a separate contribution based on the payroll of all covered employees. The VRS actuary determines the rate your employer pays and is based on several factors, including the number of employees eligible for benefits, number of retired employees, employee salaries, ages and mortality rates. Your monthly retirement benefit is funded through member and employer contributions to VRS, which are invested during your career. VRS holds these funds in a trust to pay benefits for VRS members, retirees and beneficiaries.	The employer makes the total contribution for you. Each pay period, 10.4 percent of your creditable compensation goes into your ORPSS account. The contribution rate is set by statute and is reviewed periodically by the VRS Board of Trustees. Available investments are chosen by the VRS investment staff with oversight by the Board of Trustees. You are responsible for selecting the investments from those available and you bear the investment risk.
Contribution Limits	Internal Revenue Code Section 401(a)(17) states that compensation used to calculate your benefit may not exceed the compensation limit for the plan year in which the compensation was earned. This is an annual limit, which may be adjusted each year, depending on the amount of increase in the Consumer Price Index. See your benefits administrator for information on the current year's limit.	Internal Revenue Code Section 401(a)(17) specifies that the compensation on which you and your employer may make contributions may not exceed the compensation limit for the plan year in which the compensation is paid. See your benefits administrator for information on the current year's limit. The ORPSS plan year is July 1 through June 30. See www.varetire.org , select Defined Contribution Plans and search Plan Info for more details.

Subject	VRS Plan 1	ORPSS Plan 1
Vesting	Vesting is the minimum length of service needed to qualify for a retirement benefit. You become vested when you have at least 60 months (five years) of service credit. Once you are vested, you are eligible for a retirement benefit if you meet the age and service requirements.	Vesting is immediate for your ORPSS account balance. You may take a distribution of all or a portion of your ORPSS account balance when you leave employment and qualify for a distribution.
Leaving Employment	If you leave covered employment and do not retire, you can take a refund of your member contributions and interest or leave your member contribution account balance with VRS and become a deferred member. If you are vested (you have at least 60 months of service credit) before becoming a deferred member, you may be eligible for a future retirement benefit if you meet the age and service requirements. If you are vested before taking a refund, you will receive a full refund of your account balance. If you are not vested, you will receive a refund of the balance, excluding any member contributions made by your employer and the interest on these contributions. Taking a refund cancels your membership and eligibility for any future VRS benefits. If you have your refund paid directly to you, VRS will withhold federal taxes of 20 percent and, if you live in Virginia, state taxes of 4 percent. If you have your refund paid directly to you before age 59½, the Internal Revenue Service may impose an additional 10 percent tax penalty for early withdrawal of member contributions; or you can defer taxes by rolling over your refund to another qualified plan that accepts rollovers.	You may take a distribution from your ORPSS account when you are no longer employed in a position that provides you a retirement benefit through a plan administered or authorized by VRS. Your account balance may be left in the plan, where you continue to manage your investments; rolled over; or taken as a distribution. See Taxation of Retirement Benefit for additional information on this topic.
Taxation of Retirement Benefit	No tax is due until you begin receiving your retirement benefit. Your retirement benefit is subject to federal income taxes as well as state income taxes if you live in a state that taxes income. No early retirement excise tax is due on a lifetime benefit.	No tax is due until you take a distribution from the plan. The amount distributed directly to you is subject to federal income taxes as well as state income taxes if you live in a state that taxes income. Distributions from ORPSS also may incur an early distribution excise tax if taken prior to age 59½. An exception applies if you separate from service after age 55, receive an annuity or take essentially equal payments during your lifetime. Taxation may be postponed if you roll over the distribution to another employer's plan or to an IRA.

Subject	VRS Plan 1	ORPSS Plan 1
Portability	<p>Participation continues if you are employed in one of approximately 800 public employers that provide retirement benefits through VRS, including all Virginia state government agencies, all Virginia public colleges and universities, all Virginia public schools and most Virginia local governments.</p> <p>Service credit representing many types of public service and leaves of absence may be purchased to enhance the benefit.</p>	<p>Participation continues if you are employed by another employer offering ORPSS and you elect ORPSS upon being hired.</p> <p>If you leave public employment in Virginia, your account balance may be rolled over to a subsequent employer's qualified plan or an IRA.</p>
Consolidating Retirement Savings Plans	<p>You may be eligible to purchase service for other periods of public or military service, including time covered by VRS, and refunded service. You may not roll money from other plans into VRS except to purchase approved service credit. Payouts from other retirement savings plans can be rolled into the Commonwealth of Virginia 457 Deferred Compensation Plan, then the 401(a) Virginia Cash Match Plan, if your employer has adopted both plans and you participate in both plans. If you rolled funds from another retirement plan into your 457 Deferred Compensation Account and/or Cash Match Account, you may withdraw those funds while you are still employed. Withdrawals made prior to age 59½ may be subject to a 10 percent penalty, plus state and federal income tax withholding.</p>	<p>Distributions from other retirement plans may be rolled into the ORPSS separate rollover account. Payouts from other retirement savings plans can be rolled into the Commonwealth of Virginia 457 Deferred Compensation Plan, then the 401(a) Virginia Cash Match Plan, if your employer has adopted both plans and you participate in both plans. If you rolled funds from another retirement plan into your 457 Deferred Compensation Account and/or Cash Match Account, you may withdraw those funds while you are still employed. Withdrawals made prior to age 59½ may be subject to a 10 percent penalty, plus state and federal income tax withholding.</p>
Investment Risks	<p>Your benefit is funded through member and employer contributions to VRS, which are invested during your career. VRS holds these funds in a trust protected by the <i>Constitution of Virginia</i>. This trust may be used to pay benefits to VRS members, retirees and beneficiaries.</p>	<p>Your benefit is based on member and employer contributions, adjusted for gains, losses and fees on investments. Risk varies according to investments chosen.</p>
Investment Costs	<p>Investment management costs are paid by earnings on contributions to VRS.</p>	<p>Investment management and record-keeping costs are paid by the employee.</p>
Supplemental Retirement Savings Plans	<p>Employers may offer additional savings opportunities including the Commonwealth of Virginia 457 plan and 401(a) Virginia Cash Match Plan, a 403(b) plan or another supplemental savings plan.</p>	<p>Employers may offer additional savings opportunities including the Commonwealth of Virginia 457 plan and 401(a) Virginia Cash Match Plan, a 403(b) plan or another supplemental savings plan.</p>

Subject	VRS Plan 1	ORPSS Plan 1
<p>Cost-of-Living Adjustments (COLA)</p>	<p>VRS Plan 1 includes cost-of-living adjustments (COLAs) in retirement, which allow your retirement benefit to keep pace with inflation. The COLA is based on the Consumer Price Index for all Urban Consumers (CPI-U). The amount matches the first 3 percent increase in the CPI-U and half of any remaining additional increase (up to 4 percent), for a maximum COLA of 5 percent. During years of no inflation or deflation, the COLA is 0 percent.</p>	<p>Cost-of-living adjustments are not available with this feature unless you purchase an annuity.</p>
<p>Basic Group Life Insurance</p>	<p>If an employer participates in the VRS Basic Group Life Insurance Program, members are covered under the basic program from the first day of employment. Employers may pay your portion of the premiums. The natural death benefit is equal to your compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. Some basic group life insurance benefits will continue into retirement. Your coverage will end if you have not met the age and service requirements for retirement or you take a refund of your member contributions and interest. Group life insurance coverage will begin to reduce by 25 percent on January 1 following one calendar year of retirement, and will continue to reduce by 25 percent each January 1 until it reaches 25 percent of its original value. The provisions that allow for double the natural death benefit for accidental death end upon retirement. Additional optional life insurance is available to employees and their dependents.</p>	<p>Your group life insurance benefit is the same as VRS Plan 1.</p>
<p>Life Insurance Conversion</p>	<p>Members, their spouses and dependent children, if enrolled, can convert their coverage to an individual policy within 31 days of the last day of the month in which a member leaves his or her position. This option is not available after 31 days.</p> <p>Conversion occurs only at the time of leaving employment and not retirement. In retirement, basic group life insurance follows the member.</p>	<p>Members, their spouses and dependent children, if enrolled, can convert their coverage to an individual policy within 31 days of the last day of the month in which a member leaves his or her position. This option is not available after 31 days.</p> <p>Conversion occurs only at the time of leaving employment and not retirement. In retirement, basic group life insurance follows the member.</p>

Subject	VRS Plan 1	ORPSS Plan 1
Order of Precedence	<p>You may choose the order established by law to provide payment of your benefits or you may designate specific beneficiaries to receive your benefits in the event of your death. The order of precedence is as follows:</p> <ul style="list-style-type: none"> • First, to the member’s spouse; • If no spouse, to the member’s children and descendants of the member’s deceased children; • If none of the above, to the member’s parents equally or to the surviving parent; • If none of the above, to the duly appointed executor or administrator of the member’s estate; • If none of the above, to the next of kin under the laws of the state where the member resided at the time of death. 	<p>You may choose the order established by law to provide payment of your benefits or you may designate specific beneficiaries to receive your benefits in the event of your death. The order of precedence is as follows:</p> <ul style="list-style-type: none"> • First, to the member’s spouse; • If no spouse, to the member’s children and descendants of the member’s deceased children; • If none of the above, to the member’s parents equally or to the surviving parent; • If none of the above, to the duly appointed executor or administrator of the member’s estate; • If none of the above, to the next of kin under the laws of the state where the member resided at the time of death.
Death-in-Service: Non-Work-Related	<p>A death-in-service benefit is a lump-sum payment of the balance in your member contribution account, if any, to your named beneficiary. If your named beneficiary is your spouse, your natural or legally adopted minor child or your parent, he or she may elect a lump-sum payment or a monthly benefit. The death-in-service benefit is in addition to any life insurance benefits you may have.</p>	<p>The ORPSS account balance is payable to your named beneficiary. If you have not named a beneficiary, the balance is paid according to the order of precedence. The beneficiary may choose from a variety of payment methods.</p>
Death-in-Service: Work-Related	<p>If you die while you are an active member from a work-related cause, your named beneficiary will be eligible for a lump-sum payment of any funds remaining in your member contribution account. In addition, your spouse, natural or legally adopted minor child or parent will be eligible for a monthly benefit. If this individual also is your named beneficiary, he or she will receive both benefits. If your beneficiary is eligible for Social Security survivor benefits, the VRS work-related benefit will be equal to $33\frac{1}{3}$ percent of your average final compensation (AFC) at the time of your death. If he or she is not eligible, the VRS benefit will be equal to 50 percent of your AFC. If your beneficiary is eligible for a workers’ compensation survivor benefit, the VRS work-related benefit is offset by the workers’ compensation benefit.</p>	<p>The ORPSS account balance is payable to your named beneficiary. If you have not named a beneficiary, the balance is paid according to the order of precedence. The beneficiary may choose from a variety of payment methods.</p> <p>No work-related, death-in-service benefit is available.</p>

Subject	VRS Plan 1	ORPSS Plan 1
Health Insurance Credit: Service Retirement	You are eligible for the health insurance credit, a tax-free benefit to assist with health care premiums, if you retire with at least 15 years of VRS service or ORPSS participation (or a combination of both) and are at least 50 years of age. To qualify, you must receive a retirement benefit and incur a cost for your own health insurance. The benefit is \$4 per year of service not to exceed the out-of-pocket cost for your individual premium. The credit ceases at your death.	If you retire, are at least 50 years of age and have at least 15 years of VRS service or ORPSS participation (or a combination of both), you may be eligible to apply for the health insurance credit, a tax-free benefit to assist with health care premiums. To qualify, you must incur a cost for your own health insurance. The benefit is \$4 per year of service not to exceed the out-of-pocket cost for your premium. The credit ceases at your death.
Eligibility for Benefit Payout	Normal retirement age under VRS Plan 1 is age 65. You become eligible for an unreduced retirement benefit at age 65 with at least 60 months (five years) of service credit or at age 50 with at least 30 years of service credit. You may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit. To determine your reduced benefit, VRS applies an early retirement reduction factor to the benefit you would receive if you retired with an unreduced benefit.	You may begin receiving benefits when you leave public employment in Virginia, regardless of age. The amount of the benefit is determined by contributions to your ORPSS account (including money you rolled into the plan), adjusted for gains, losses and fees on investments and the length of time the benefit will be paid.
Change of Payout Option	Selecting the Basic Benefit, PLOP or Advance Pension Option is irrevocable. For the Survivor Option, you may name a new survivor or revert to the Basic Benefit if your survivor dies; you divorce your survivor with fewer than 20 years of marriage; you divorce after 20 or more years of marriage and your spouse dies, remarries or consents in writing to a change in benefit; or you provide VRS a written consent from your survivor giving up claim to a benefit along with proof of your survivor's good health.	Distribution options may be changed for balances remaining in the plan. Generally, once purchased, the annuity option cannot be changed.

Subject	VRS Plan 1	ORPSS Plan 1
Benefit Payout Options	When you retire, your benefit is paid first from your member contribution account. After these funds have been paid out, your benefit is funded from a separate contribution your employer makes to VRS and investment earnings. You receive your retirement benefit in the form of a monthly benefit according to a payout option you choose when you apply for service retirement. The payout option you elect at retirement is irrevocable, with the exception of the Survivor Option.	The following options are generally available: <ul style="list-style-type: none"> • Periodic distributions • Full lump-sum distribution • Partial lump-sum distribution • Annuity purchase to produce a lifetime benefit, with or without survivor option • Rollover to another plan or IRA You may use a combination of these payout methods.
Required Minimum Distribution	If you do not apply for retirement by April 1 following the calendar year in which you turn age 70½, VRS will pay you a retirement benefit using the Basic Benefit option, as required by law.	You must begin a minimum distribution from the plan at age 70½ or when you leave public employment in Virginia in a position with retirement benefits through a plan administered or authorized by VRS.
Forfeiture of Benefits	Your VRS-administered benefits may be forfeited if you are convicted of a felony related to your covered employment.	Your VRS-administered benefits may be forfeited if you are convicted of a felony related to your covered employment.
Educational Leave of Absence With Half-Pay or More	You will be reported to VRS at the full rate of pay.	Participants will receive plan contributions equal to 10.4 percent of the salary earned while on educational leave.
Educational Leave of Absence With Less Than Half-Pay	You may purchase up to four years of service credit for any approved official educational leave of absence from a VRS-covered position.	No contributions are made to ORPSS. No make-up contributions are made when you return to employment.
Disability	If you cannot perform your job because of a medical condition that is likely to be permanent, you may qualify for VRS disability retirement. Your employer also may provide a short- and/or long-term disability plan.	Your employer may provide disability coverage or make it available for purchase. Contact your human resource office for information on programs that may be available to you. You also may be eligible to apply for Social Security disability. When employment ends as a result of a disability, a distribution from ORPSS may begin.

Selecting a Plan

If You Choose ORPSS Plan 1

You have 30 days from the date the election and enrollment materials were sent to you to elect ORPSS. This election is irrevocable. You must:

- Complete the Election to Participate – Optional Retirement Plan for School Superintendents (VRS-71).
- Have the VRS-71 signed by your school division’s human resource and payroll officers.
- Complete the ORPSS Enrollment Form. On this form you will choose the funds in which you want your ORPSS contributions invested.
- Designate the beneficiaries you wish to receive your plan account in the event of your death using the ORP for School Superintendents Beneficiary Designation, included in your materials and available at www.varetire.org under the Defined Contribution Plans tab. Once you have established account access, you may designate your beneficiaries online, by phone or by a mailed form.
- To designate a beneficiary for your group life insurance, use the Designation of Beneficiary (VRS-2) available from your human resource office or at www.varetire.org, select Forms.
- Your human resource office should retain a copy of your completed forms.
- Return the required forms to VRS. Mail the fully executed forms listed above to:

Virginia Retirement System
P.O. Box 2500
Richmond, VA 23218-2500
Toll-free 1-888-VARETIR (1-888-827-3847)

If VRS does not receive the completed election forms within 30 days from the date the enrollment materials were sent to you, you automatically will be covered by the VRS defined benefit plan.

If You Choose VRS Plan 1

If you conclude that the VRS defined benefit plan better meets your needs, advise your human resource office of your decision. Although there is no VRS enrollment form to complete, your school division may require a form indicating your choice.

To designate a beneficiary for your VRS member contribution account and group life insurance, complete the Designation of Beneficiary (VRS-2), available from your human resource office or at www.varetire.org, select Forms. If you do not designate a beneficiary, at your death your benefit will be paid according to the order of precedence. For more information, see the *Virginia Retirement System Plan 1 Handbook for Members* at www.varetire.org.

Investment Options

Members who will participate in ORPSS may learn more about investments at www.varetire.org. Under the Defined Contribution Plans tab, select Optional Retirement Plan for School Superintendents. Under the Investments tab on the top navigation bar, you may review Fund Information and Monthly Investment Option Performance. You also may call 1-VRS-DCPLAN1 (1-877-327-5261), Option 2, to schedule an appointment with one of the registered representatives that service the plan. Registered representatives do not provide investment advice, but can assist you to understand the investments available to you.

Your Selection

Providing a choice of plans does not constitute a recommendation for either plan. The Commonwealth reserves the right to amend or terminate ORPSS at any time and without the consent of any other party.

The Commonwealth also reserves the right to change investment providers or investment funds available to plan participants. A change of investment providers or available funds may affect all accounts held under the plan or future contributions.

VRS vs. ORPSS Benefit Illustrations

Benefit illustrations provide comparisons of the estimated value of annual benefits provided under VRS versus ORPSS for various age and service combinations using different assumptions. Read the Glossary of Terms and Methodology before reviewing these illustrations.

Glossary of Terms

- **Annual Benefit**
 - Calculated based on a formula using your average final compensation, a retirement multiplier and your total service credit at retirement
 - Applicable to VRS Plan 1 (defined benefit plan)
 - Under ORPSS 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 ORPSS rate of return
- **Average Final Compensation**
 - The average of your 36 consecutive months of highest compensation as a covered employee
 - Applicable to VRS Plan 1 (defined benefit plan)
- **Cost-of-Living Adjustment (COLA)**
 - Applicable to the defined benefit component of the Hybrid Retirement Plan
 - Allows your retirement benefit to keep pace with inflation
 - Based on the Consumer Price Index for all Urban Consumers (CPI-U)
 - Published by the U.S. Bureau of Labor Statistics and updated each July 1
 - During years of no inflation or deflation, the COLA will be 0 percent
 - To have a COLA under ORPSS, participant would need to elect an annuity form of payment with payments increasing each year
- **Final Salary**
 - Salary in year of retirement
- **ORPSS Return**
 - Assumed rate of return on employee-directed investments in ORPSS
 - Rate of return not guaranteed
- **ORPSS Contribution**
 - Annual percent of pay contributed on behalf of each participant in ORPSS
- **Salary Increases**
 - Assumed annual rate of increase from date of hire until retirement

Methodology

- The following benefit illustrations are based on current plan provisions and the stated assumptions as to annual salary increases, current salary level and future cost-of-living adjustments (COLA) at a 6 percent rate of return on ORPSS account balances.
- 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 ORPSS 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.
- These estimates are for illustrative purposes only. Actual benefits will be based on plan provisions, salary history, investment returns and the form of payment elected at retirement, and could be higher or lower than the benefits illustrated.

Comparing VRS to ORPSS Annual Benefits Illustration

Plan 1 Assumptions			
Salary Increases	3.00%	COLA	2.00%
ORPSS Annual Rate of Return	6.00%	Final Salary	\$50,000
ORPSS Contribution	10.40%	Average Final Compensation	\$48,500

Age at Retirement	VRS Service							ORP Service						
	5	10	15	20	25	30	35	5	10	15	20	25	30	35
Age 50														
Annual Benefit	*	\$2,471	\$3,707	\$4,943	\$9,321	\$24,735	\$28,858	\$1,581	\$3,407	\$5,514	\$7,947	\$10,755	\$13,996	\$17,738
Difference	(1,581)	(936)	(1,807)	(3,004)	(1,434)	10,739	11,120	1,581	936	1,807	3,004	1,434	(10,739)	(11,120)
Age 55														
Annual Benefit	\$1,913	\$3,826	\$5,739	\$7,651	\$14,429	\$24,735	\$28,858	\$1,726	\$3,718	\$6,018	\$8,672	\$11,737	\$15,275	\$19,358
Difference	187	108	(279)	(1,021)	2,692	9,460	9,500	(187)	(108)	279	1,021	(2,692)	(9,460)	(9,500)
Age 60														
Annual Benefit	\$2,886	\$5,772	\$8,657	\$11,543	\$14,429	\$24,735	\$28,858	\$1,923	\$4,142	\$6,704	\$9,661	\$13,075	\$17,016	\$21,565
Difference	963	1,630	1,953	1,882	1,354	7,719	7,293	(963)	(1,630)	(1,953)	(1,882)	(1,354)	(7,719)	(7,293)
Age 65														
Annual Benefit	\$4,123	\$8,245	\$12,368	\$16,490	\$20,613	\$24,735	\$28,858	\$2,188	\$4,715	\$7,631	\$10,997	\$14,883	\$19,369	\$24,547
Difference	1,935	3,530	4,737	5,493	5,730	5,366	4,311	(1,935)	(3,530)	(4,737)	(5,493)	(5,730)	(5,366)	(4,311)
Age 75														
Annual Benefit	\$4,123	\$8,245	\$12,368	\$16,490	\$20,613	\$24,735	\$28,858	\$3,082	\$6,640	\$10,746	\$15,487	\$20,960	\$27,277	\$34,569
Difference	1,041	1,605	1,622	1,003	(347)	(2,542)	(5,711)	(1,041)	(1,605)	(1,622)	(1,003)	347	2,542	5,711

