

WOMEN IN RETIREMENT

Take Charge of Your Financial Health



With longevity in your favor, you'll want to make the most of your retirement assets. VRS offers a number of resources to help.

Make the Most of Your VRS Benefits

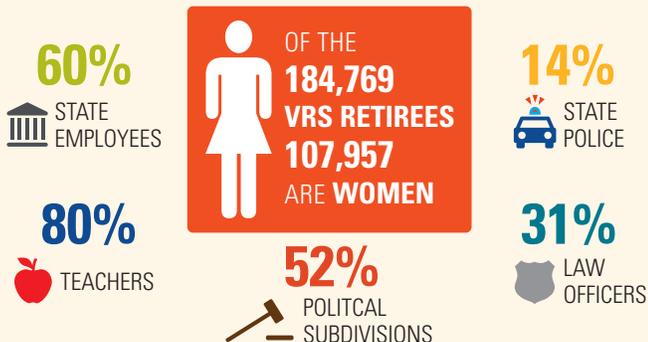
Start with your benefit payment. As a VRS retiree, you receive a monthly payment based on a formula reflecting your years of service and an average of your three or five consecutive years of highest salary. Approximately two-thirds of your benefit is funded through investment earnings, the rest through member and employer contributions to VRS, which holds these funds in a trust for retirees and beneficiaries.

You are also eligible for cost-of-living adjustments (COLAs) to your benefit payment, when provided.

Finally, retirement. After years of hard work, you've earned your benefit and you want to enjoy it. But if you are a woman, you better plan for the long haul. According to the U.S. Census Bureau, the average woman at retirement can expect to live at least another 20.5 years. And many VRS retirees live even longer; in 2016, there are 120 retirees older than 100, of whom 107 are women.

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VRS WOMEN BY THE NUMBERS



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Health Insurance Credit for Qualified Retirees. Health insurance coverage is a major expense in retirement. And, according to the Employee Benefit Research Institute, more than half of retirees surveyed this year are not confident they've saved enough to pay their medical expenses.

However, if you are eligible, the VRS health insurance credit provides a reimbursement to assist with the cost of your health insurance premiums. The credit is a dollar amount set by the Virginia General Assembly for each year of service and is added to your monthly retirement benefit. The credit covers only health insurance premiums and not other types of policies.

You are eligible for the health insurance credit if you are in one of the following categories:

- Retired with 15 or more years of creditable service from an eligible employer.
- Retired on disability.
- Are receiving a long-term disability benefit through the Virginia Sickness and Disability Program (VSDP) or the Virginia Local Disability Program (VLDP), if your employer participates in the health insurance credit.

Check your retirement certificate or the Benefit Summary in your myVRS account to see if you are receiving the health insurance credit. Not sure if you are eligible? Call VRS at 1-888-VARETIR (827-3847). If you are eligible but are not currently

receiving the credit, complete the Request for Health Insurance Credit (VRS-45) and return to VRS at P.O. Box 2500, Richmond, VA 23218-2500.

Commonwealth of Virginia (COV) Voluntary Group Long-Term Care Insurance Program. What if you or a loved one needs long-term care? The cost could quickly deplete your savings. VRS offers the Voluntary Group Long-Term Care Insurance Program to help with the cost of nursing home or at-home care.

As a retiree receiving a benefit from VRS or a retiree of a Virginia public college or university, you are eligible to apply for COV Voluntary Long-Term Care Insurance if you are between the ages of 18 and 79. You are eligible to apply whether or not your employer elected the program. Certain family members may also apply.

For more information, call Genworth Life, the insurer for the program, at 1-866-859-6060 or visit Genworth's website for employees (www.genworth.com/cov).

If you were an employee covered by VSDP or VLDP while working, you may have chosen to continue your coverage under the plan when you retired. The plans help with the cost of nursing home care, assisted living care, community-based care, at-home care and hospice care. For more information, call the Long-Term Care Group, Inc. at 1-800-761-4057.

Plan for Taxes

To see the current amount of federal and state income tax withheld from your benefit, review Income Tax Information found under your Benefit Payment Summary in your myVRS account.

Use the online Tax Tool, in your myVRS account under Income Tax Information, to try different withholding amounts. If you decide to change the amount of your withholding, you can submit the change online. You will receive a confirmation in your myVRS account, indicating when the change will be effective.

You may be eligible for a reduction in your Virginia state taxes. According to the Virginia Department of Taxation, "If you or your spouse were born on or before January 1, 1950, you may qualify to claim an age deduction of up to \$12,000 each. The age deduction you may claim will depend upon your birth date, filing status and income." For more information, see the Virginia Department of Taxation website at www.tax.virginia.gov, or call 804-367-8031.

Draw on Your Deferred Compensation Accounts

Throughout your career, you may have saved and invested through an Individual Retirement Account (IRA), a 403 (b) or 457(b) plan, such as the Commonwealth of Virginia 457 Deferred Compensation Plan. You'll want to continue monitoring those funds and make the most of your nest egg in retirement.

SOCIAL SECURITY TIP

Did you know that if you are married or widowed, or, in some circumstances, divorced, you may be entitled to receive a portion or all of your spouse's Social Security payment? Visit the Social Security website (www.ssa.gov) or call 1-800-772-1213 to find out if you are eligible.



2016 Cost-of-Living Adjustment

The cost-of-living adjustment (COLA) for eligible VRS retirees, effective July 1, 2016, will be 0.12 percent. The increase will be included in the August 1 benefit payment.

The *Code of Virginia* requires VRS to base the COLA on a formula using the Consumer Price Index

for all Urban Consumers (CPI-U), generated by the U.S. Bureau of Labor Statistics. The CPI-U uses changes in the price of food, clothing, medical care, rents, mortgages, fuel, etc., to measure inflation. There was only a slight increase in the CPI-U for 2015.

Two VRS Board Appointments Announced

Governor Terry McAuliffe recently appointed the Honorable J. Brandon Bell, II, of Roanoke to the VRS Board of Trustees for a five-year term, filling one of the investment professional seats.

Bell, a registered principal with Brandon Bell Financial Partners, is a former member of the Virginia State Senate, serving eight years in the General Assembly. In addition, he is a certified retirement planning counselor and maintains a Virginia Life and Health Insurance license.

Bell holds a Bachelor of Arts in Business Administration from Mississippi State University, and has been an adult education instructor at Virginia Tech.

The General Assembly Joint Rules Committee reappointed Wallace G. “Bo” Harris, Ph.D., to a five-year term on the VRS board. He will continue to serve in the state employee position.

Harris is an assistant professor and serves as chairman of the graduate human resource management program for the University of Richmond. He retired as a Virginia state government employee in 2008 after 36 years of service, 28 of which were served at VRS where he rose to the level of deputy director.

Harris earned his Bachelor of Arts in economics and his Master of Business Administration from the University of Richmond, and his Doctorate in Public Policy and Administration from Virginia Commonwealth University.

Legislative Update

The 2016 session of the Virginia General Assembly passed legislation calling for establishment of a committee to study VRS and its provisions for current and future members. Other legislation passed made minor technical changes to several VRS programs. None of the changes will affect current retirees. The 2016 legislative summary is available on the VRS website (www.varetire.org), under Legislation.

myVRS Enhancements Ahead

VRS is engaged in a multi-year effort to improve online services for members and retirees and provide more self-service features in myVRS.

Coming in 2017, VRS will introduce new security procedures for your myVRS retiree account and offer more financial transactions online. Next year, when you sign into myVRS, you will need to complete a one-time identity authentication process. In addition to the improved security for your account, the myVRS website will have a new look and feel with updated features to help serve you better. Watch for updates in coming issues of Retiree News.

Know Your Paydays

2016 Direct Deposit Schedule

PAYMENT FOR THE MONTH OF:	DEPOSITED ON:
June	July 1
July	August 1
August	September 1
September	September 30
October	November 1
November	December 1
December	December 30

Meet Patrese Pruden: Living Life Her Way

If you want ideas on how to make the most of retirement, just talk to Patrese Pruden. After 38 years of working in Henrico County Public Schools, as an English teacher, an assistant principal and in human resources, she has earned her retirement and knows how to enjoy it.

VRS caught up with Mrs. Pruden to talk about her first year away from the workplace.

What is the first thing you did when you retired?

My last day of work was June 30, 2015. On July 1, my husband and I caught a 6 a.m. flight to San Francisco. We spent nine days there visiting Chinatown, several Napa Valley wineries and all of our favorite places.

My retirement began with a trip so that I could get used to having no restrictions on my time, no deadlines to meet, no concerns about work piling up when I was out of the office and no stress. I must say, it was easy to get used to not keeping in touch with the office, not checking email or listening to voicemail. For the first time since I can remember, I had no work obligations. The retirement trip introduced me to the feeling of freedom.

Any advice for the newly retired?

Enjoy life. Learn to say “no” to commitments, at least at first. Later you can volunteer, work with your church or work part-time. But, for a while, just do what you want. You’ve worked all your life, helped others and lived for others. Remember, you earned your retirement.

I started working when I was a junior in high school, worked all through college, then worked in the school

system for 38 years. Finally, in my life, I don’t have to meet a schedule; I can do what I want when I want. That’s the best thing about retirement—I can live life on my own terms.

Any new interests in retirement?

I’ve mostly gone back to what I’ve always enjoyed but didn’t have time to pursue while working. I love to read and am going through the piles of books that I’ve bought but never got to read.

Cooking has gone from being a chore to something fun. I now have time to try out new recipes and experiment with new spices. I also have time to exercise, so I try very hard to visit the gym at least three times a week. Retirement has also given me the opportunity to reconnect with friends whom I had not seen in a while, and I love the fact that I now have time to meet them for breakfast or lunch.

Find something you used to enjoy and see if it’s still fun. There’s so much to do, I can’t imagine retirement ever being boring.

Have VRS resources had any effect on your retirement?

I have been reviewing myVRS for a number of years so that I would know when would be the right time for me to retire. The website, which is very



PHOTO: TY BOWERS

beneficial to retirees as well as persons who are considering retirement, enabled me to play with figures using different ages, years and salaries before retirement.

Health care is the most costly monthly expense that I have, so the health care credit is extremely helpful to me each month when it is time to pay the health care premium. The money saved because of the health care credit allows me to be able to have more fun doing things that I enjoy such as eating out, traveling more and having fun.

VRS offers a wealth of information on its website, and that information definitely helped me with retirement plans and helps me in my retirement.

Is there anything you miss about work?

I miss my coworkers, but I do see them occasionally (after work hours),

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Haven't Named a Power of Attorney?

Maybe You Should

To protect yourself in the future, you may want to name a power of attorney now. By filing a VRS Durable Power of Attorney (VRS-901), you give yourself a voice no matter what happens in life. If you become unable to handle your own affairs, VRS will have on file the name of the person authorized to act on your behalf. Generally, the person you name in the Durable Power of Attorney can:

- Change your address.
- Set up your direct deposit.
- Request information about your benefits.
- Change your income tax withholding information.

There are some specific matters that require you to provide

separate authority by initialing the appropriate line in Part D of the VRS-901 or by ensuring that a power of attorney drafted by your legal counsel mentions these powers specifically. Those matters are:

- Name or update your beneficiary.
- Name or update your survivor.
- Authorize another person to act under the power of attorney.

The authority granted by the VRS-901 is for matters concerning your VRS record. The person you name does not have authority over matters outside of VRS.

Submit your VRS Durable Power of Attorney or a valid durable power of attorney drafted by your legal counsel to VRS at P.O. Box 2500, Richmond, VA 23218-2500.



AUTHORIZATION TO DISCUSS

You also may want to authorize someone to speak to VRS on your behalf. The Authorization to Discuss VRS Account Information (VRS-900) allows you to name one or more individuals to speak to a VRS representative about your VRS benefits and account information. It does not allow individuals to take actions on your behalf.

WOMEN IN RETIREMENT: TAKE CHARGE OF YOUR FINANCIAL HEALTH continued from page 2

Generally, you are not required to take a distribution of your funds until age 70½. If you leave your funds in your account, you can continue to manage your investments. Your pre-tax account continues to be tax-deferred, but any distributions will be taxable. If you have a Roth after-tax account, those funds also can remain in the plan until you need them and the earnings will be tax-exempt as long as you meet the criteria.

Should you decide to take distributions from your plan, you have a variety of options. If you are a participant in the Commonwealth of Virginia 457 Plan, you can take:

- A total or partial lump sum.

- Annuity payments.
- Periodic payments.
- A partial lump sum with the remainder paid as a periodic payment or annuity.
- A rollover into an eligible retirement plan such as a 401(a), 401(k), 403(b), 457(b), traditional IRA or a Federal Employees Thrift Savings Plan that accepts such rollovers.

Meet with an ICMA-RC Defined Contribution Retirement Plans Specialist (www.varetire.org/457; see the Education tab) for a one-on-one consultation to discuss distribution options from the Commonwealth of Virginia 457 Plan and Virginia Cash Match Plan, if applicable.

For the Commonwealth of Virginia 457 Plan, you may change your distribution option for the balance remaining in your plan at any time, unless you purchase an annuity. Complete the Distribution/Direct Rollover/Transfer Request, available online at www.varetire.org/457 or call 1-877-327-5261. For other plans, contact your provider for specific information.

As a VRS member, you have a lot to look forward to in retirement. Thoughtful planning at every stage will help you take charge of your financial health. VRS is here to help.



ARE YOU SMARTER THAN A SCAMMER?

Don't Fall for Fraud and Identity Theft

Beware. They're out there: on your phone, at your door and online. Sneaky and clever, scammers are everywhere. Show your smarts and protect yourself by following these tips from the FBI and Internet Crime Complaint Center.

Tips for Avoiding Fraud

- Don't buy from an unfamiliar company.
- Always review written material about an offer or charity.
- Before you give money to a charity or make an investment, find out what percentage of the money is paid in commissions and what percentage actually goes to the charity or investment. GuideStar and Charity Navigator offer this information online.
- Don't pay in advance for services. Pay for services only after they are delivered.
- Take your time making a decision. Legitimate companies won't pressure you to make a snap decision.
- Never respond to an offer you don't understand thoroughly.
- If you have information about a fraud, report it to state, local or federal law enforcement agencies.

Tips for Avoiding Identity Theft

- Never throw away ATM receipts, credit statements, credit cards or bank statements in a usable form.
- Never give your credit card number over the telephone unless you make the call.
- Reconcile your bank account monthly and notify your bank of discrepancies immediately.
- Keep a list of telephone numbers to call to report the loss or theft of your wallet, credit cards, etc.
- Report unauthorized financial transactions to your bank, credit card company and the police as soon as you detect them.
- Review a copy of your credit report at least once a year (you're entitled to one free report annually). Notify the credit bureau in writing of any questionable entries and follow through until they are explained or removed.
- Visit the FBI Internet Crime Complaint Center website (www.ic3.gov/preventiontips.aspx) or the Federal Trade Commission's Privacy and Identity web page (www.consumer.ftc.gov/topics/privacy-identity) for additional information.

HELP KEEP YOUR myVRS ACCOUNT SAFE

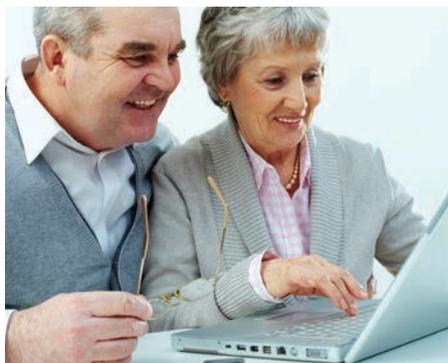
- Don't send email with confidential information to VRS even when you are logged into your online account.
- When you've finished using your myVRS account, log out. Do not simply close the browser window.
- Don't share your password and change it regularly.
- Avoid using the same password for myVRS that you use for other accounts.
- When you create a password, avoid using stand-alone words; instead use phrases with a combination of upper- and lowercase characters, symbols and numbers.

myVRS: Benefit Information at Your Fingertips

Sign into your myVRS account and you see it right away—your Benefit Payment Summary. Look a bit more and you see when VRS deposited your latest benefit, the amount, the deductions, if any, for health insurance coverage and the amount of your health insurance credit, if applicable.

Spend another few seconds in your account and you see the amount of your tax withholdings, your COLA history, and details about your life insurance coverage, if you are covered under the VRS Group Life Insurance Program, including the date of each reduction and the amount of coverage you'll have when your insurance reaches the final reduction amount.

With a little more time, you can review the plan under which you retired and see your retirement date, your age and years of service at retirement, and the benefit payout option you chose.



Don't stop there. If you explore the rest of the VRS website, you find out how to change your beneficiary, whether you can work after retirement without affecting your benefits, the date of your next benefit direct deposit and how to change your address if you're moving. Follow other links to the Social Security Administration, the IRS, the Veterans' Benefits Association and other government sites. There's a wealth of retirement information waiting at the tips of your fingers, all starting with myVRS.

LIFE IN RETIREMENT: PATRESE PRUDEN continued from page 4

so we do stay in touch. One thing I don't miss is driving to work in the snow. I've never liked trying to drive in snow and ice, and now I can stay inside, watch the snow pile up on my deck and think about how pretty it is.

What's the most important part of living well in retirement?

Pre-planning. Plan for your retirement and then plan for what you want to do in retirement. We didn't end our travels with San Francisco. In October, we visited Key West, in November we went to New York to celebrate my husband's birthday, and recently we went back to New York to see Serena Williams play tennis at

Madison Square Garden. Before this year is over, we're planning trips to Atlanta, San Antonio, Myrtle Beach and Williamsburg.

So, if you want to learn how to live well in retirement, talk to Patrese Pruden, but you may have to book a seat on her next flight to catch her.

HAVE IDEAS TO SHARE ABOUT LIVING IN RETIREMENT?

If you have suggestions on what to do, what not to do, or tips on adjusting to retirement, contact VRS at proffice@varetire.org. You might be our next retiree profile.



Avoiding FOMO*

*Fear of Missing Out

Haven't found VRS on Facebook yet? Let's see what you've been missing:

- How working after retirement affects your VRS benefits.
- Why you should let VRS know if you change your address.
- What can happen to your benefit after a divorce.
- How to reset your myVRS password if you get locked out of your account.

If you don't want to be left out, like VRS on Facebook (www.facebook.com/VirginiaRetirementSystem).

You'll learn something new and stay up to date on VRS benefits and news.

Want More Direction in Your Financial Future?

Take a Workshop on Living in Retirement



VRS is offering a new workshop that focuses on life after retirement and what retirement means to your financial, physical and mental health. This full-day session, Finish Line—Living in Retirement, shows the importance of post-retirement planning and provides insight on factors to consider throughout your retirement.

Industry professionals will cover a broad range of topics, including maintaining retirement security, estate planning and health care. Go to <http://www.varetire.org/retirees/education/index.asp>, to find dates, times, locations and registration information.

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WHAT DO YOU MEAN BY THAT?

VRS Terms Explained

VRS may seem to have its own language when it comes to benefits, eligibility and retirement plans. In each issue of Retiree News, we explain often-used terms.

Beneficiary Your beneficiary is the person you designate to receive any funds remaining in your member contribution account and any life insurance benefits payable upon your death. Use the Designation of Beneficiary (VRS-2) to name your beneficiary or change beneficiaries.

Survivor If you chose the survivor option at retirement, your survivor is the person you name to receive a portion or all of your monthly benefit upon your death.

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