

Are You Making the Most of Your myVRS Account?

Did you know that every VRS retiree has a myVRS account? If you've never claimed your account, or if you haven't used myVRS since before you retired, you're missing out on the convenient services available by logging into myVRS for Retirees at myVRS.varetire.org.

For starters, myVRS has all of your important benefit information in one place. In addition to viewing your latest benefit payment amount, you can see the tax amounts withheld, download your 1099-R form and, if applicable, view your health insurance premiums and your health insurance credit amount. You can also view cost-of-living adjustments and the value of your life insurance, if you participate.

Making a move? No need to call VRS; just use myVRS to update your address and contact information. With just a few clicks you can change your tax withholdings as well.

The future holds even more convenient self-service features for retirees through myVRS. Look for these features coming next year:

- **Online beneficiary management:** Update beneficiaries online instead of submitting the Designation of Beneficiary (VRS-2) paper form. This function will include setting up beneficiaries for your VRS defined benefit account and group life insurance benefits.



- **Direct deposit management:** Set up your direct deposit or notify VRS when you change financial institutions or bank accounts and need to redirect your monthly benefit payment.
- **Health insurance credit management:** Instead of submitting a form, retirees eligible for the health insurance credit will go online to claim the credit, report insurance premium changes or make other adjustments.
- **Survivor accounts:** For the first time, survivors of VRS members will have the opportunity to register for a myVRS account, which will allow them to view and maintain the benefits they receive. If you are a survivor of a VRS member in addition to being a VRS

retiree yourself, you will be able to view and maintain your survivor account when logged into your own myVRS account.

Registering your myVRS account is also a security best practice. Completing the identity verification steps and then establishing a strong password is the single most important thing you can do to prevent someone else from fraudulently attempting to lay claim to your account.

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Trust Fund Health Remains Stable During Challenging Times

VRS ended fiscal year 2020 with approximately \$81.6 billion in the VRS Trust Fund, achieving a 1.4% return, net of fees. The VRS fund returns exceeded the custom benchmark and continues to exceed the current 6.75% assumed actuarial rate of return for the 25-year period.

When economic times are good, you may not think about the investment performance of the trust fund that much, but in years like 2020 when a global pandemic is causing market volatility and other disruptions, you may find yourself paying more attention to the future outlook. Unlike a 457 Plan or an individual retirement account, the short-term fluctuations in market value do not affect the amount of your pension. Your VRS defined benefit is based on your years of service and average final compensation during your working career.

VRS has a **long-term investment strategy** and an efficient portfolio policy that balances risks with rewards. As a long-term investor, VRS focuses on returns and performance over 20 to 40-plus years, not simply a single year or quarter to quarter. VRS mixes stocks, bonds, real estate and other investment strategies to diversify the fund portfolio. Diversification creates a stable foundation for the future and helps



moderate the highs and lows experienced in the stock market. Our investment professionals are mindful that the decisions made today must support public employees through the coming decades and beyond.

VRS pays approximately \$5.3 billion annually in benefit payments to more than 223,000 retirees and beneficiaries from the VRS trust fund, which is managed by the investment team.

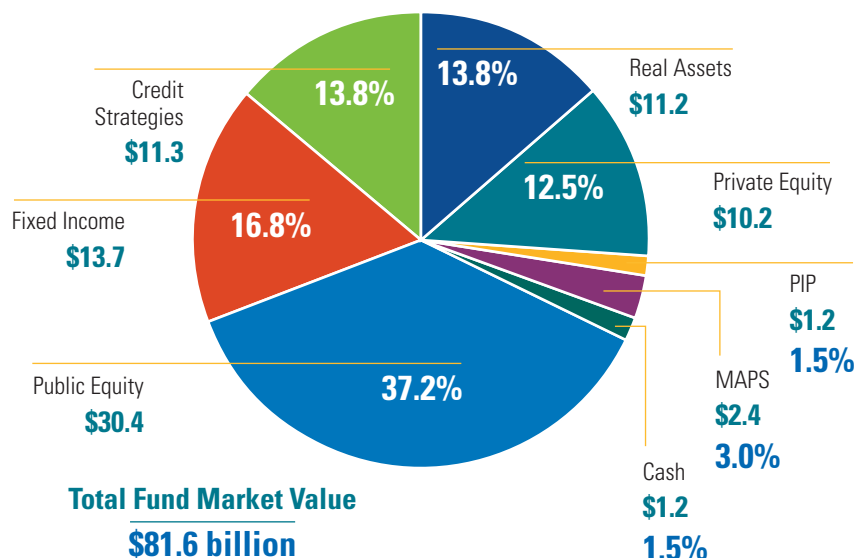
Beyond investments, the trust fund also depends on member and employer contributions. While you were working, you or your employer contributed a percentage of your compensation to your Member Contribution Account each month. Your employer also made monthly contributions to VRS based on its total employee population. These contributions went into the trust fund and were invested during your career to fund your future retirement benefit. As a result, your benefit remains constant throughout retirement and does not fluctuate with market changes.

Detailed financial information is available in the **VRS Comprehensive Annual Report**; or read the **Popular Annual Financial Report** for a summary. Both publications are available at varetire.org/publications. You can access quarterly investment performance and allocation reports at varetire.org/investments.

Virginia Retirement System Asset Allocation

as of June 30, 2020

(Dollar amounts in billions/percent of fund)



Ed Mayhew on Keeping the Brain Sharp

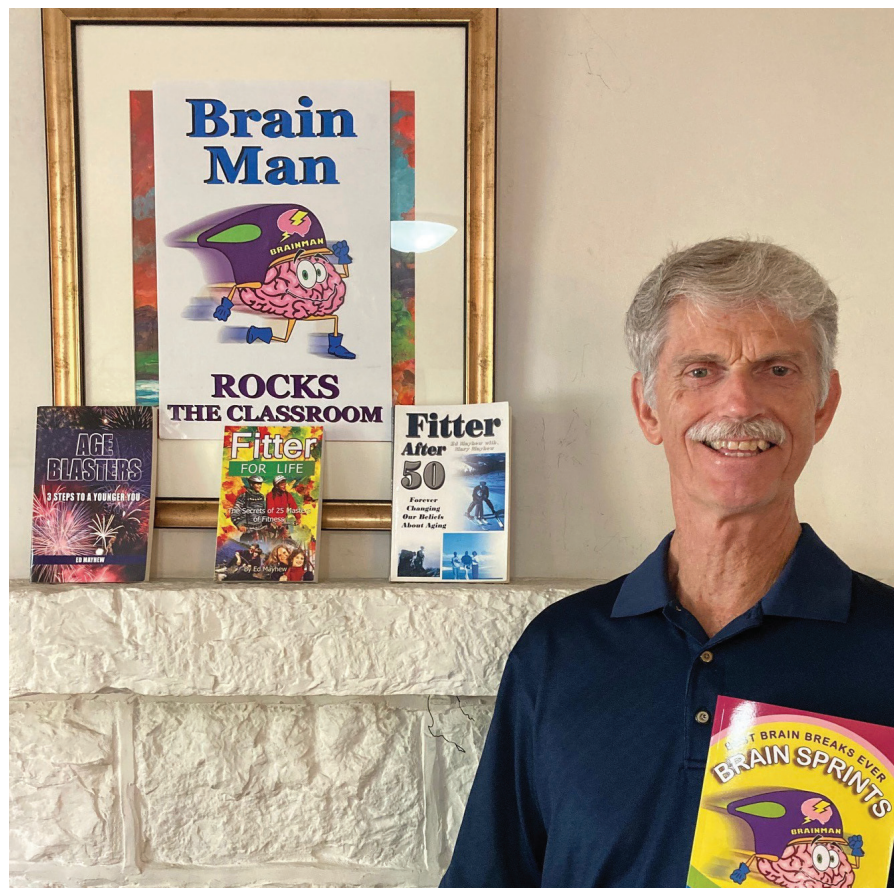
Throughout his four-decade-long career as a teacher—34 of those years at Winchester Public Schools—Ed Mayhew says he noticed time and time again the link between exercise and his students' academic performance. Retired since 2007, Mayhew has published seven books on health, aging and brain exercises and continues teaching workshops on his “brain sprints” regimen for school children. At age 75, he's still running 5Ks, 10Ks and half-marathons, and proclaims regular intensive movement as the single largest factor in keeping the brain sharp, for students and seniors alike.

What inspired you to write about fitness, brain power and aging?

I used to watch Jack LaLanne on TV in the 1950s. My mother liked to watch his show and we'd watch it together. He was a proponent of exercise and a healthy diet, so I became very interested in fitness from a young age. The actor Bob Cummings, who was already in his 50s by then, was also big into health and fitness, and I remember reading his book and feeling inspired. That's how I first got started.

Several of your books are written with educators and parents in mind. How did your experience as a teacher inform your views on the mind-body link for children?

I saw the benefits firsthand with elementary school children. I found that physical movement combined with academics actually transformed them. There was one boy in kindergarten who was way behind, wasn't talking and wasn't doing well at all. With a simple movement activity, I worked with him, and after a few weeks it made all the difference in the world. He had a breakthrough and opened up, started to speak in class, started reading the words off the menu at lunch. Youngsters who



Ed Mayhew stands with four of his published books and artwork for Brain Man, a cartoon character developed in conjunction with his brain training program for students.

couldn't read – when they learned combined with movement – they started to read. Multiple studies have found that exercise at moderate to high intensity even for short periods improves learning, memory, problem-solving, concentration and verbal fluency, with positive effects lasting for hours.

What did you learn in your research for your book *Fitter After 50*?

For *Fitter After 50*, I interviewed older individuals who were fitter than they had been when they were younger, or who were fitter than most young people. I profiled them to show that older people can have

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Governor Appoints Two New Members to Board of Trustees

Earlier this year, Gov. Ralph Northam announced two appointments to the VRS Board of Trustees:



Michael Disharoon

Michael Disharoon of Virginia Beach is a principal and portfolio manager at Palladium, a Norfolk-based investment management firm.



Susan T. Gooden, Ph.D.

Susan T. Gooden, Ph.D., of Henrico is the dean of the L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University.

To see all members of the Board of Trustees, visit varetire.org.

Tax Forms Coming in January

If you received a monthly retirement benefit from VRS in 2020, expect a Form 1099-R from VRS in late January. The Form 1099-R shows your benefit payments, taxes withheld and other information for the previous calendar year. Use the form to complete your 2020 federal and state income tax returns.



DON'T FORGET: Imputed Income Impacts Tax Filing

Does the value of your group life insurance coverage exceed \$50,000? If so, the value of the excess amount is considered imputed income and is subject to income taxes and FICA (Social Security and Medicare) taxes.

If you have VRS Group Life Insurance coverage, VRS automatically withholds FICA taxes and sends you a **Form W-2** each year showing the amount withheld and the additional taxable income.

Use the Form W-2 to file federal and, if applicable, state income taxes. As your life insurance coverage reduces, the amount of imputed income also reduces. If

your coverage reduces to less than \$50,000, these taxes will no longer be withheld and you will no longer receive a W-2 from VRS.

See Your Forms in myVRS

You can find a Form 1099-R for each year you have filed taxes as a retiree under Income Tax Information in your myVRS account. You will also find a Form W-2 for each year the value of your group life insurance coverage exceeded \$50,000.

Note: If VRS needs to send you a corrected form, the corrected version will not be displayed in myVRS.

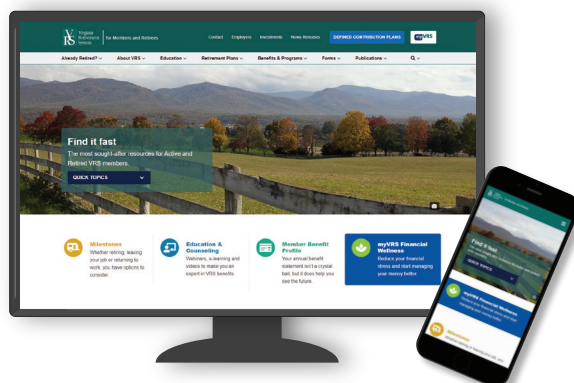


DID YOU NOTICE OUR FACELIFT? VRS Website Gets a New Look

To better serve you, varetire.org has a fresh design that works on mobile devices as well as your computer. Look for the new Already Retired? tab on the homepage to help you navigate to your familiar sections of the website. In addition, you'll discover Just for Retirees pointers on each relevant benefit and program page.

If you have supplemental savings in defined contribution plans, you can quickly navigate to those plans using the new Defined Contribution Plans

button at the top of the homepage. The myVRS button has also moved to the top right of the page. If you need to contact VRS, scroll down to the website footer to locate phone and email information, as well as additional links.



ELIGIBLE TO RECEIVE THE HEALTH INSURANCE CREDIT?

Keep VRS Up to Date

If you retired from a participating employer with at least 15 years of service, the health insurance credit provides a reimbursement to assist with the cost of your health insurance premiums. The credit ends upon your death and cannot exceed the amount of your individual health insurance premium.

If VRS is deducting your health insurance premium from your retirement benefit, you do not need to apply for the health insurance credit. This deduction appears on your Benefit Payment Summary page in myVRS.

If VRS is not deducting your health insurance premium or if you have eligible health insurance coverage in addition to your employer-sponsored coverage, complete and send the Request for Health Insurance Credit (VRS-45) to VRS to ensure you receive the maximum credit. The VRS-45 is available at varetire.org or by calling 888-827-3847. Keeping your information current ensures you receive the proper credit amount and are not at risk for receiving an overpayment, which would require you to reimburse VRS.

The health insurance credit is a dollar amount set by the General Assembly for each year of service and is added to your monthly retirement benefit if you are eligible. It provides a reimbursement to assist eligible retirees with the cost of health insurance premiums.

Qualifying health plans:

- Individual health plans
- Coverage as a dependent on a spouse's plan
- Employer-sponsored health plans, including the State Retiree Health Benefits Program
- Medicare Part B
- Dental and vision plans
- Prescription drug plans, including Medicare Part D

All non-teacher school division employees who retired with at least 15 years of service credit will begin receiving the benefit under new legislation effective July 1, 2021. See **Non-Teacher Retirees Eligible for Health Insurance Credit in 2021** on page 6 for more information.



Attention Retired Public Safety Officers



The federal Healthcare Enhancement for Local Public Safety (HELPS) Retirees Act allows eligible retired public safety officers to exclude a certain amount per year from retirement income used for qualified health insurance premiums or long-term care insurance premiums, if the premium is deducted directly from their retirement benefit.

Premiums covering yourself, your spouse and dependent children may be eligible for this tax exclusion. You must claim the insurance premium exclusion on your tax return. The Form 1099-R that you receive reflects total taxable income without any adjustment for this benefit. For more information, contact a tax advisor or the IRS at 800-829-1040, or visit irs.gov.

Use Account Access to Request Defined Contribution Plan Distributions

You no longer need to submit a form to request a distribution from your VRS defined contribution plan. Just log into Account Access at varetire.org/dcp-login.

Select the account from which you wish to withdraw funds. Separate requests are required for each defined contribution plan in which you participate. For example, if you participate in the Commonwealth of Virginia 457 Deferred Compensation Plan and the Virginia Cash Match Plan and wish to receive distributions from both accounts, you must make two separate requests through Account Access.

For more information or to request a distribution by phone, contact ICMA-RC at 877-327-5261, select option 1 and ask for a Participant Services Representative.

Non-Teacher School Division Retirees Eligible for Health Insurance Credit in 2021

Starting July 1, 2021, all non-teacher school division employees who retired with at least 15 years of VRS service credit will be eligible for a monthly health insurance credit of \$1.50 per year of service under legislation passed during the **2020 General Assembly session**.



The legislation also removes the \$45 cap on the credit. Retired non-teacher school division employees currently receiving a \$45 credit may see an increase in the credit amount.

Non-teacher school division employees who retired on disability before July 1, 2020, will not be affected if this measure would reduce their current monthly credit amount.

How will I know if I'm eligible?

In early summer, VRS will identify and mail eligible school division retirees a letter explaining their new eligibility. The letter will include instructions on steps to take to begin receiving the benefit. In the meantime, ensure that your address and contact information is up to date through your myVRS account at myVRS.varetire.org so that you receive your letter if you are eligible.

What do I do if I receive a letter?

The letter will provide information about the benefit and will include instructions on how to update your health insurance information. You will need to complete the steps provided in the instructions to begin receiving your benefit.

Already receive the Credit?

If you are a retired non-teacher school division employee who already receives the health insurance credit, your benefit may increase. The legislation removes the \$45 per month cap on the credit. VRS will notify you by mail if your benefit will increase.

Where do I find more information?

More information will be available on the VRS website in summer 2021 and in the summer issue of Retiree News.

2021 DIRECT DEPOSIT SCHEDULE

MONTH OF:	DEPOSITED ON:
December	December 31, 2020
January	February 1
February	March 1
March	April 1
April	April 30
May	June 1
June	July 1
July	July 30
August	September 1
September	October 1
October	November 1
November	December 1
December	December 31

RETIREE PROFILE: ED MAYHEW continued from page 5

amazing accomplishments. Helen Klein is one example: She was in her 50s when she first started running and ended up running 28 races of 100 miles or longer from age 56 to 80. You don't have to do that; but I wanted to show what's possible. You can get fitter than you were, and you can get fitter than people younger than you.

When writing my book *Age Blasters: 3 Steps to a Younger You*, I found that the most important factors are a strong desire to get fit, a belief that it is actually possible to feel younger and a plan of action to accomplish the goal of feeling younger.

What advice do you have for living well in retirement?

My best advice is to find something that you enjoy doing and make sure that you keep moving. Find stuff that keeps you on your feet and keeps you off your seat!

I know that a lot of people are concerned about staying mentally sharp. The number one thing to stay mentally sharp is to keep moving, to have an exercise program. Five 30-minute walks a week. Moderate to vigorous physical activity is more important than crosswords and Sudoku. Those are good, too, but exercise is the number one thing!

Ruth and Peter Gregory: Reunited in Retirement

If Ruth and Peter Gregory have anything to say about love, it's that it's never too late. They've had an unusual love story—one involving two engagements, four decades apart. Last year, at long last, they tied the knot.

"To make up for lost time we make a point on the 15th of every month to celebrate our anniversary," Peter says with a smile.

"It's our only chance to make it to 50 years, to try and catch up!" Ruth adds, affectionately.

The two met in 1975 at the student-run radio station at Colgate University in New York. They instantly hit it off and it wasn't long before they got engaged, making plans to one day wed at Chapel House on Colgate's campus.

"We essentially became inseparable," Peter remembers fondly.

The pair moved to Virginia for Peter to attend law school at Washington and Lee and Ruth to complete a master's degree in education from the

Do You Have a Story to Share?

Contact VRS at proffice@varetire.org with your unique retirement experiences or advice about life in retirement.

the disappointment of their families, they called off their engagement and went their separate ways.

Ruth drove back east; Peter stayed in Colorado to practice law. The once inseparable couple became strangers. They both settled down, got married



Ruth and Peter on their wedding day at Colgate University, the place where it all began.

University of Virginia. Next they moved out west to Utah, then Colorado. But, ultimately, marriage just wasn't right at the time. Much to

and had daughters. Ruth made a career for herself in Virginia, in workforce development at Virginia Western Community College in Roanoke and then Central Virginia Community College in Lynchburg, where she served as vice president of workforce solutions. She continued her education as well, receiving a doctorate in community college leadership from Old Dominion University.

It wasn't until 2014, decades after last speaking, that Ruth was in Denver for a higher education conference. On a whim she looked up Peter, and they caught up over dinner. Each continued on their different paths with the occasional email.

Four years later and their lives had changed drastically. Ruth was newly retired and dealing with the passing of her husband; Peter was divorced and living in Florida. Looking for a place to spend the winter, Ruth too found herself in Florida, about an hour's drive from Peter. One day he asked her if she'd like to have dinner and the rest, as they say, is history.

"She came to my house for dinner and never left," Peter laughs. "We realized at that point that we had always been in love, that we were soulmates."

It wasn't long before they were engaged – again – and in June 2019 they finally had their wedding at Colgate's Chapel House.

Starting a marriage in retirement has its advantages, they both agree.

"We don't have to fight over the kids, we don't have to fight over our jobs, we don't have to fight over the mortgage," Ruth says. "It makes it a whole lot easier to focus on our relationship."

Another point of agreement – it's worth the time to reconnect with those who mean something to you.

"Everybody's journey is different," Ruth explains. "If there's someone out there you're curious about, go ahead and reach out. The worst thing that could happen is they're happily married and you move on."

"Get in touch with anyone you felt was your soulmate," Peter chimes in, laughing. "I've never been happier."

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VRS BY THE NUMBERS

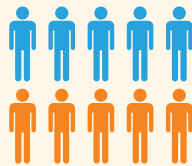
VRS AT A GLANCE

AT JUNE 30, 2020



ACTIVE MEMBERS:

347,808



TOTAL RETIREES
AND BENEFICIARIES:

223,441



EMPLOYERS:

837

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