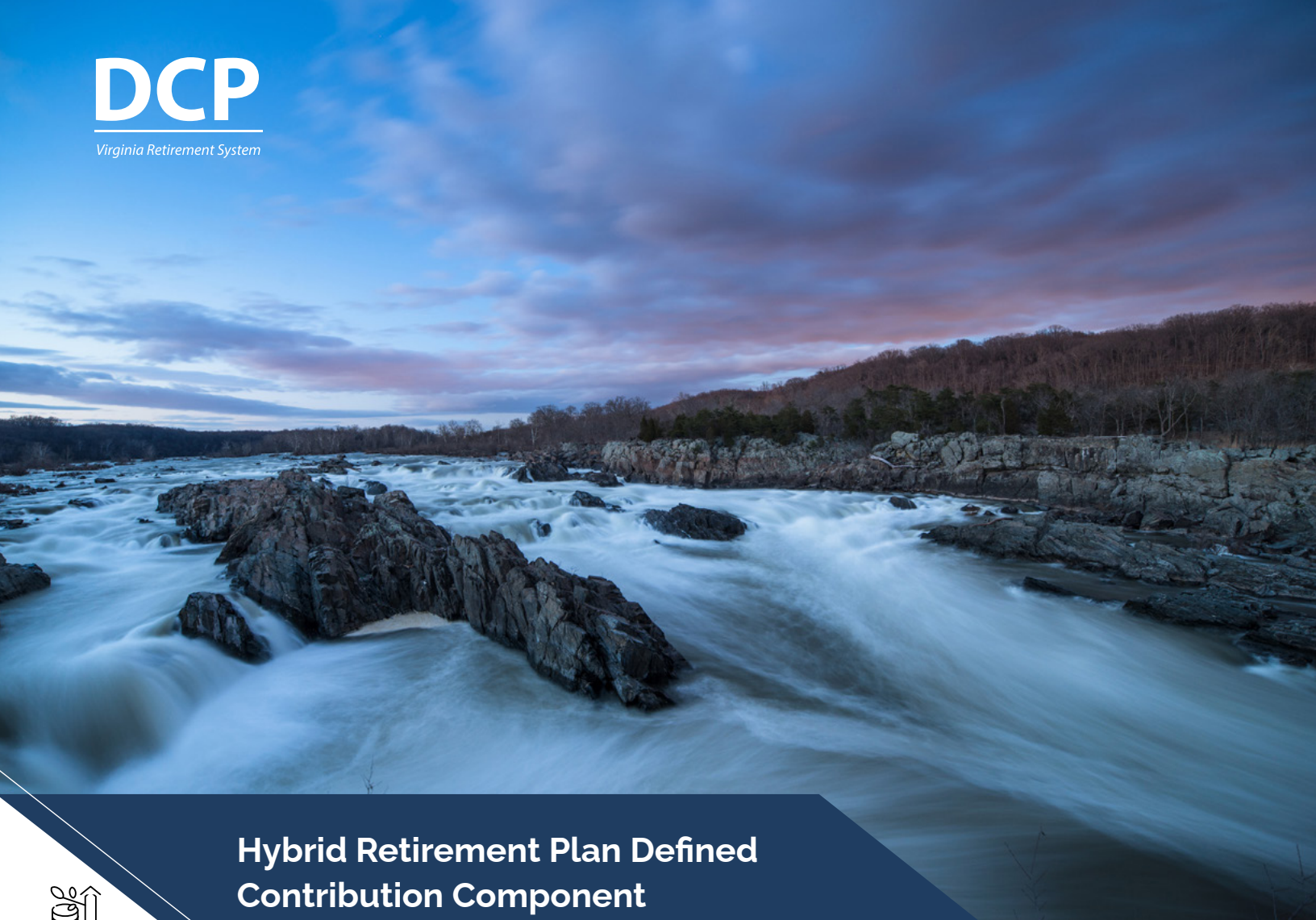




Virginia Retirement System



Hybrid Retirement Plan Defined Contribution Component

Your Plan Guide

Jump-start your financial future, today!

Start saving for your future by contributing to the defined contribution component of your **Hybrid Retirement Plan**.

This guide provides an overview of plan features. Find more information on the plan website at **dcp.varetire.org/hybrid**.

HOW THE HYBRID RETIREMENT PLAN WORKS

The Hybrid Plan combines elements of a traditional defined benefit (DB) pension plan and a defined contribution (DC) plan that is similar to a 401(k).

Defined Benefit	Defined Contribution
• Provides the foundation of your future retirement benefit when you qualify. • Pays a lifetime monthly retirement benefit based on age, total service credit and average final compensation. • VRS manages the investments and related risk for this component.	• Provides a tax-deferred savings plan in addition to your defined benefit pension. • Provides an additional retirement fund to draw from during retirement. Your balance is based on contributions made by you and your employer to the plan and the investment performance of those contributions. • You manage the investments and related risk for this component.

Discover how the two components of your plan work together and the vital role you play in saving for your future at varetire.org/hybrid.

Plan benefits

- **Built-in savings discipline** — Your contributions are automatically deducted from your pay, so you don't have to remember to save.¹
- **Increased savings potential** — Your employer automatically matches a portion of your contributions to the Hybrid 457 Deferred Compensation Plan.
- **Tax advantages** — Reduce your current income taxes by making before-tax contributions.
- **Investment options for different types of investors** — Select from three paths based on your desired level of assistance in managing and monitoring your investments.
- **Easy account access** — Manage your account 24/7 on the web at dcp.varetire.org/login, through the **Voya Retire**® mobile app and by phone, Monday-Friday, 8 a.m. to 9 p.m. ET.

This guide provides an overview of plan features. Find more information on the plan website at dcp.varetire.org/hybrid.

Building your retirement benefit

Within the defined contribution component of your plan, you have two investment accounts: the Hybrid 401(a) Cash Match Plan and the Hybrid 457 Deferred Compensation Plan. You manage the investments and related risk for the defined contribution component to build on the retirement benefit provided by the defined benefit component.

Eligibility

You are eligible for the Hybrid Retirement Plan if you:

- Are a full-time permanent, salaried state employee, faculty member of a Virginia public college or university, teacher, administrative employee of a Virginia public school division, or an employee of a VRS-participating political subdivision.
- Have no previous VRS service credit and your membership date is on or after January 1, 2014.
- Are a judge appointed or elected to an original term on or after January 1, 2014.

- Are an employee who elected the Hybrid Retirement Plan instead of an optional retirement plan (ORP) authorized or administered by VRS.

Also, certain local law enforcement officers, firefighters or emergency medical technicians may be eligible if your employer does not provide enhanced hazardous duty benefits or the hazardous duty alternate option.

Enrolling in the plan

While enrollment in the Hybrid 401(a) Cash Match Plan is automatic, you may choose to make additional contributions to the plan by enrolling in the Hybrid 457 Deferred Compensation Plan.

Contributing to the plan

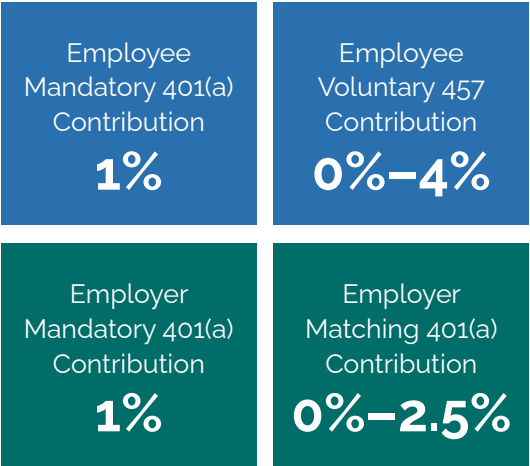
Defined Benefit Component

Provides a lifetime monthly benefit based on a formula.



Defined Contribution Component

Provides a balance to draw from in retirement based on contributions and investment performance.



Maximize Savings

You can contribute up to 100% of includible compensation or the maximum IRS annual limit, whichever is less.¹ Annual contribution limits include any voluntary contributions you make to the Hybrid 457 Deferred Compensation Plan or any other supplemental 457 plan through your employer.¹ Your contributions are automatically deducted from your pay each pay period and deposited into your plan account according to your investment elections.

Note: School divisions may elect to offer Hybrid Retirement Plan members an employer-sponsored hybrid 403(b) option for employee voluntary contributions. For additional information, contact your human resource office.

This chart illustrates the employer match you'll receive based on the amount of the voluntary contribution you make. The more you contribute, the higher the match.

Employee Voluntary Contributions: Hybrid 457	Employer Matching Contributions: Hybrid 401(a)
0.00%	0.00%
0.50%	0.50%
1.00%	1.00%
1.50%	1.25%
2.00%	1.50%
2.50%	1.75%
3.00%	2.00%
3.50%	2.25%
4.00%	2.50%



Investing your contributions

The plans offer a variety of investment options. These options are categorized into three paths, based on your desired level of assistance in managing and monitoring your investments.



Do-It-For-Me Path

- Includes target-date portfolios² for participants who prefer a portfolio that's already diversified.
- Select a portfolio based on your projected retirement date and individual needs.



Help-Me-Do-It Path

- Offers a carefully selected menu of funds for participants who prefer to take a slightly more active role in investing.



Do-It-Myself Path

- Features a self-directed brokerage account³ for participants who wish to manage investments without assistance.
- Options include exchange-traded funds, individual securities and other funds.

The path approach is flexible – you do not need to choose just one path. You can mix and match investment options among the different paths to help you meet your objectives, risk tolerance and overall investing style. If you don't select an investment option, your future contributions will automatically be invested in the Target Date Portfolio² that is the closest to the year you turn age 65. You should determine if the default option meets your needs and, if not, consider making an investment change.

For details on all the investment options, go to dcp.varetire.org/investments.

Looking for more help

We offer three levels of retirement planning and financial wellness support depending on how much assistance you need. These options include:



Self-Service

myOrangeMoney^{®4}

Voya Learn[™]

myVRS Financial Wellness



Guided

DC Plans Education

Specialists⁶

Point-in-time Advice⁸

Financial Snapshot⁷



Managed

Managed Accounts⁸

Holistic Financial Plan⁷

Local Certified Financial
Planner[™] CFP^{®7}

Be Ready Program⁷

Go to **dcp.varetire.org/education** to learn more about all the available education and support options. Additionally visit **varetire.org/hybrid-learning** to access the webinars, recorded webinars and classroom sessions available from VRS for Hybrid Retirement Plan members.

Rebalancing your account

The value of your funds may go up and down over time, which can cause your asset allocation to change. These fluctuations could affect your investment objectives and risk level. Automatic rebalancing can help to maintain your preferred asset allocation percentages.

You can set your account to rebalance quarterly, semi-annually, annually or on a one-time basis. If you manually change your investment elections or move money from one fund to another, automatic rebalancing will stop, and you will need to reset it to continue to have your account rebalanced. You can start, stop or change the frequency of automatic rebalancing at any time.

Estimate your savings progress with myOrangeMoney®

Voya's **myOrangeMoney®** is an educational, interactive online experience that shows how your savings may translate into estimated monthly retirement income. You can model a variety of saving and investment scenarios to help you close any savings gaps, factor in other sources of income like Social Security, and explore how estimated healthcare costs in retirement might impact your income needs.⁴

Visit dcp.varetire.org/calculators to access **myOrangeMoney** and other digital tools and resources.

Naming beneficiaries

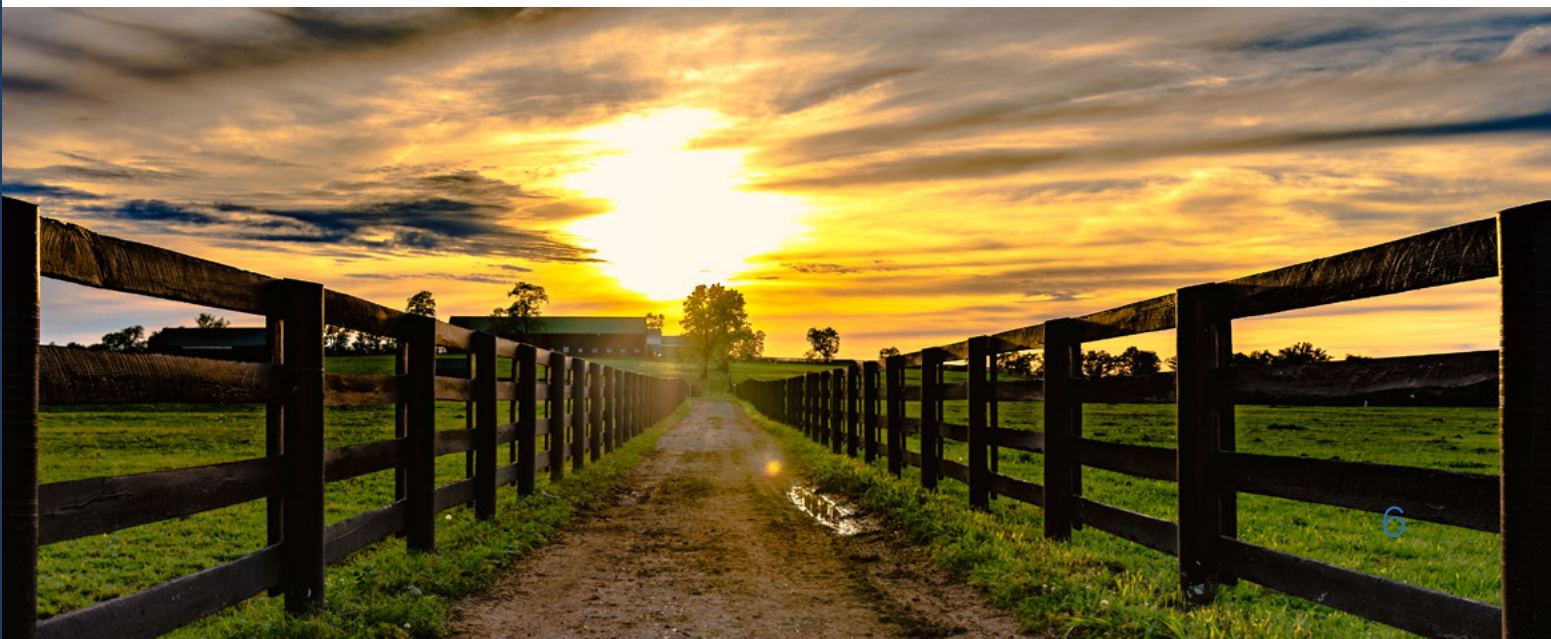
Your beneficiary is the person (or persons or entities, such as a trust or estate) who will receive your account value in the event of your death. It's important to have the right beneficiary listed and to occasionally review your choice, particularly after major life events such as marriage, the birth of a child or a divorce.

You must designate a beneficiary for your DB component and DC component of your Hybrid Retirement Plan. Register or log into your myVRS account at myvrs.varetire.org/login to name or update beneficiaries for the DB component of your plan. For the DC component of your plan, you can designate beneficiaries by going to your DCP Account at dcp.varetire.org/login and selecting *Personal Information > Beneficiary Information*.

Rollovers from other retirement plans

Balances from eligible retirement savings plans, such as a 401(a), 401(k), 403(b), 457(b), a traditional IRA or Federal Employees Thrift Savings Plan, may be rolled into your Hybrid 457 account. Certain after-tax rollovers are permitted, as well. You cannot roll over money to your Hybrid 401(a) Cash Match Plan. For additional information, call the VRS Defined Contribution Plans Service Center at 877-327-5261.

Consolidating multiple retirement accounts may simplify managing your savings by keeping your money all in one place. Visit dcp.varetire.org/forms to download the *Incoming Rollover form*.



Plan fees and expenses

There are costs associated with operating the plan. Some of the costs are shared by all participants. For more information about fees and expenses, review the fee disclosure on the plan website at dcp.varetire.org/hybrid.

- **Annual plan administration fee:** Voya will deduct an annual per participant fee of \$35.50 (\$2.96 deducted monthly for 11 months, then \$2.94 deducted in the last month). This is the total fee for Voya's record-keeping services and the cost of plan administration. If you participate in more than one Commonwealth of Virginia defined contribution plan, you will pay only one annual record-keeping fee of \$35.50.
- **Investment management fees and other fund expenses:** These fees cover a fund's management and operations, including advisory, trading, custody and accounting activities. Investment management and other fund expenses are deducted from each fund's investment return.
- **Expedited check delivery fee:** A fee of \$50 will be charged for any expedited check delivery.
- **Financial planning services fee:** A fee of \$175 will be charged if you request a comprehensive financial plan. Get more information at dcp.varetire.org/beready.
- **Advisory services⁸ fee:** Enrolling in the Professional Management program incurs an extra yearly fee up to 0.40%, depending on your account balance. Learn more at dcp.varetire.org/education/advisory-services.

Making a withdrawal⁵

You may withdraw from your account only when you meet one of these conditions:

- Terminate employment from the employer that offers the plan and complete a full calendar month break in service.
- Use your plan account to purchase VRS service credit, if approved.
- Experience an unforeseeable emergency that is approved by the Plan Administrator.
- Rolled funds into your Hybrid 457 Plan from another retirement account.

Note: You must take your first minimum distributions by April 1 of the calendar year following the later of (1) the calendar year in which you reach age 73, or (2) the calendar year in which you terminate employment from the employer sponsoring your plan.

For more information on what distributions options are available, you can download the *Leaving Employment Guide— Hybrid Retirement Plan* available at dcp.varetire.org/publications.

Voya's Secure Accounts for Everyone[®] (S.A.F.E.) Guarantee

Voya is committed to safeguarding your financial accounts and personal information from the risk of fraud, cyber threats and unauthorized activity. As part of this effort, we have established the Voya S.A.F.E.[®] (Secure Accounts for Everyone) Guarantee. If any assets are taken from your workplace retirement plan account or Voya-administered Individual Retirement Account* due to unauthorized activity and through no fault of your own, we will restore the value of your account.

Visit voya.com/articles/safe-guarantee for more information.



Vesting schedule

Upon retiring or leaving employment, you can withdraw 100% of your Hybrid 457 Deferred Compensation Plan account balance and any contributions you made to the Hybrid 401(a) Cash Match Plan, plus any net investment earnings on your contributions.

Withdrawals of your 401(a) employer contributions and net investment earnings on employer contributions are subject to the following vesting schedule:

- 1 year – 0%
- 2 years – 50%
- 3 years – 75%
- 4 years – 100%

Accessing your account

You can access your plan via:

- **Web:** dcp.varetire.org/hybrid
- **DCP Account:** dcp.varetire.org/login
- **Mobile: Voya Retire**

- **VRS Defined Contribution Plans Service Center:** 877-327-5261 (Hearing impaired: 800-579-5708). English- and Spanish-speaking representatives are available weekdays from 8 a.m. to 9 p.m. ET, excluding stock market holidays.

The first time you log in to the plan website or use the mobile app you will be required to set up a username and password and establish authentication. Select "Register Now" in the login section to begin. As part of the registration process, you will receive a code through the designated method you have on file with Voya (text, email or U.S. Mail). You will then create a login username and password for ongoing online or mobile account access.

The first time you access your account by phone you will need to verify your identity. Once your identity has been verified, follow the prompts to have a code sent to you by the designated method you have on file with Voya (text, email or U.S. Mail). Use the code to create a unique PIN, which you will use for subsequent phone access.

¹Plan contributions are subject to annual IRS limits. For details, visit dcp.varetire.org/hybrid and select the *How to contribute* drop-down.

²Generally speaking, Target Date funds target a certain date range for retirement, or the date the investor plans to start withdrawing money. Investors can select the fund that corresponds to their target date. They are designed to rebalance to a more conservative approach as the date nears. An investment in the Target Date fund is not guaranteed at any time, including on or after the target date.

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⁴**IMPORTANT:** The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.

⁵Distributions are generally subject to federal income tax and state income tax, depending on the state in which you reside at the time of distribution.

⁶Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Local Plan Service Representatives are registered representatives of Voya Financial Advisors, Inc., member SIPC.

⁷Financial Advisors are Investment Advisor Representatives and registered representatives of and offer securities and investment advisory services through Voya Financial Advisors, Inc. (member SIPC).

⁸**Advisory Services provided by Voya Retirement Advisors, LLC (VRA).** VRA is a member of the Voya Financial (Voya) family of companies. For more information, please read the Voya Retirement Advisors Disclosure Statement, Advisory Services Agreement and your plan's Fact Sheet. These documents may be viewed online by accessing the advisory services link(s) through your plan's website at dcp.varetire.org/hybrid. You may also request these from a VRA Investment Advisor Representative by calling your plan's information line at 877-327-5261. Financial Engines Advisors L.L.C. (FEA) acts as a sub advisor for Voya Retirement Advisors, LLC. Financial Engines Advisors L.L.C. (FEA) is a federally registered investment advisor. Neither VRA nor FEA provides tax or legal advice. If you need tax advice, consult your accountant or if you need legal advice consult your lawyer. Future results are not guaranteed by VRA, FEA or any other party and past performance is no guarantee of future results. Edelman Financial Engines® is a registered trademark of Edelman Financial Engines, LLC. All other marks are the exclusive property of their respective owners. FEA and Edelman Financial Engines, LLC are not members of the Voya family of companies. ©2024 Edelman Financial Engines, LLC. Used with permission.

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