

# AUTO-ESCALATION OF YOUR CONTRIBUTION AMOUNT

## WHAT IT MEANS FOR YOU



Beginning January 1, 2017, the VRS Hybrid Retirement Plan's auto-escalation feature goes into effect.

### What is auto-escalation?

This plan feature is designed to help you save more for your retirement by slightly increasing the amount that you contribute from each paycheck to your retirement savings.

### Who is affected?

Members reported by their employer to VRS prior to September 15, 2016 with a hire date on or before September 1, 2016, who are not contributing 4 percent in voluntary contributions.

### How much more will I start to make in contributions?

If you do not opt out this fall, your voluntary contributions will increase by 0.5 percent, even if you're not currently making contributions to the Hybrid 457 plan.

Your voluntary contribution amount will increase by 0.5 percent every three years until you reach the maximum 4 percent. You may also choose to increase your voluntary contributions more rapidly.

### Why is it beneficial?

Auto-escalation offers you a convenient way to save more for your retirement!

- **The more you save in voluntary contributions — the more you receive in matching employer contributions.** When you contribute 4 percent, your employer contributes 2.5 percent!
- It's easy — no action required! You only need to take action if you choose to opt out.
- Incremental increases help you make sure that you're saving more as you get closer to retirement age, when you're likely to start withdrawing from your savings.

**Members can opt out of auto-escalation from October 1 through December 15, 2016.** To opt out, log into Account Access at [www.varetire.org/hybrid](http://www.varetire.org/hybrid), and select Hybrid 457 Deferred Comp Plan #307059 by clicking View Account, then click Contributions; or call Investor Services at 1-VRS-DC-PLAN1 (1-877-327-5261); select option 1.

**Save more now! Contribute 4 percent to receive your employer matching contribution of 2.5 percent.**