

**Virginia Retirement System**  
**Optional Retirement Plan for Higher Education**  
**Plan 2**

**Employees Hired or Rehired After June 30, 2010**

*Choosing Your Retirement Plan*

*University of Virginia*



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## **Virginia Retirement System Choosing Your Retirement Plan Guidelines and Provider Information**

**This publication is for employees of colleges and universities hired or rehired after June 30, 2010 and who are eligible to choose between the Virginia Retirement System defined benefit retirement plan and the Optional Retirement Plan for Higher Education, a defined contribution retirement plan.**

**July 2010**



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## Introduction

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As a new Virginia college or university faculty, engaged in teaching, administration or research, you are allowed to select your retirement plan. (You also have this choice if you have changed from a classified to a faculty position.) You must choose a retirement plan **within 60 days** of your employment date.

Your choices are the Virginia Retirement System (VRS) – Plan 2, which is a defined benefit plan, and the Optional Retirement Plan (ORP) – Plan 2, which is a defined contribution plan. The benefits described in this publication apply to employees hired or rehired after June 30, 2010. A rehired employee is one who is returning to employment in an eligible position and who has no VRS defined benefit plan service credit and no account balance in an Optional Retirement Plan administered or authorized by VRS.

If you do not select the ORP within 60 days of employment, you will be covered by the VRS defined benefit plan.

**Remember: You have 60 days from the date you are employed, reemployed, or you transfer for the first time into a position eligible for the ORP to make your choice and to complete the required forms. If you do not elect the ORP, you will be automatically enrolled in VRS.**

**If you transfer from a faculty position at one public institution in Virginia to another with no break in service you must continue in the Plan you originally chose.**

**If you transfer from a faculty position at one public institution in Virginia to another with a break in service you must again choose the Optional Retirement Plan or be automatically covered by VRS.**

**A break in service is defined as one full calendar month during which you received no compensation, no service credit in VRS, no contributions to an Optional Retirement Plan and not active member benefits. Summer breaks, educational leave and leave without pay do not constitute breaks in service.**

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## Choosing your retirement plan

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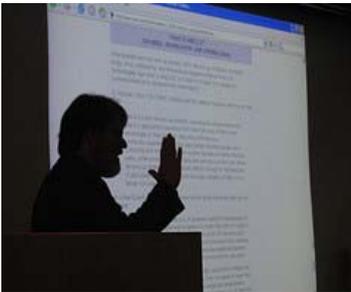
The choice of a retirement plan is a critical one because of its impact on your financial security. As a college or university employee with academic rank, you have the choice between two retirement plans that are distinctly different.

### Defined Benefit Plan

The Virginia Retirement System (VRS) is a **defined benefit plan**. That means that your retirement benefit is determined by the following: the amount of service you accumulate in VRS-covered positions (including certain types of service that you purchase); your age at retirement; and the average of your 60 consecutive months of highest creditable compensation. **Your employer guarantees this lifetime benefit.** In a defined benefit plan your benefit increases with each year that you work and with your pay increases.

A characteristic of a defined benefit plan is that actuarial reductions are applied to your benefit if you do not qualify for an unreduced retirement. To qualify for unreduced retirement from VRS, you must have a combination of age and service that equals 90 or have at least five years of service at the age you qualify for an unreduced Social Security retirement benefit.

Birth Year	Age for Full Social Security
1937 or earlier	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 - 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 and later	67



To receive reduced lifetime monthly payments, you must be vested (have a minimum of five years of service on record with VRS) and be at least age 60. For VRS purposes, vesting means you are eligible for a lifetime benefit.

More detail on VRS benefits is contained in the VRS Handbook for Members available at [www.varetire.org](http://www.varetire.org) under the Members tab or from your institution's Human Resources office.

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## Defined Contribution Plan

The Optional Retirement Plan (ORP), on the other hand, is a **defined contribution plan** where vesting is immediate. For purposes of the ORP, vesting means the total balance in your account is available to you when you leave employment with the Commonwealth. Your retirement benefit is based on employer and employee contributions and the investment gains and losses on those contributions. Your employer contributes to your ORP account 8.9 percent of your compensation. You contribute an additional 5 percent of your compensation to your account, for a total contribution of 13.9 percent of your compensation each pay date going into your Plan. Your contribution is paid on a pre-tax salary reduction basis under Section 414(h) of the Internal Revenue Code (IRC).

**Your employer bears no responsibility for the outcome of your investment choices.** You choose your investments from a range of funds offered under the plan and assume all risks associated with those choices. Your investment choices should be based on long-term goals and risk tolerance. Risk varies by investment.

More detail on ORP benefits is contained in the ORP for Higher Education Participant Handbook available at [www.varetire.org](http://www.varetire.org) under Defined Contribution Plans / Optional Retirement Plan for Higher Education.

**Listing of Funds, Asset Classes and Benchmarks** (page 16-17) lists the investment choices currently available to Plan participants.

**Comparing VRS to ORP Benefits Illustration** (pages 19– 26) is an illustration of benefits in the two plans based on stated assumptions.

## Comparing Plans

The following summary gives you a general comparison of the two plans:

	<b>VRS</b>	<b>ORP</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Type of Plan</b>	<b>Defined Benefit:</b> Benefit at retirement is based on a formula, which uses the consecutive 60 months of highest creditable compensation, amount of service credit (including service credit you purchased) and age at retirement.	<b>Defined Contribution:</b> Benefit at retirement is based on contributions, net investment earnings and age (the length of time your benefit will be paid). Participants may choose between investments offered.
<b>Contributions</b>	<p>Each pay period you pay five percent of your creditable compensation on a tax deferred salary reduction basis into your VRS member contribution account in your name. Your member contribution account earns interest at 4% on an annual basis.</p> <p>The employer also makes a contribution to an employer pool account that is based on a rate established every two years by the VRS actuaries and approved by the General Assembly. Both member and employer contributions and earnings on those contributions fund future lifetime retirement benefits and guaranteed cost-of-living adjustments after retirement. These monies are invested by the VRS Investment Department with Board of Trustees oversight.</p>	<p>Each pay period you pay five percent of your creditable compensation on a tax deferred salary reduction basis into your ORP account. Gains and losses on your contributions depend upon the investments you select.</p> <p>Each pay period your employer pays an additional 8.9 percent of your creditable compensation into your ORP account. The employer contribution is invested in the investments you have chosen from among those available in the Plan.</p>
<b>Contribution Limits</b>	The Internal Revenue Code Section 401(a)(17) specifies that creditable compensation may not exceed the compensation limit for the plan year in which the compensation was earned. For VRS members the Plan year runs from January 1 to December 31. See your benefits administrator for information on the current year's limit.	The Internal Revenue Code Section 401(a)(17) specifies that the compensation, on which your employer may make contributions, not exceed the compensation limit for the plan year in which the compensation is paid. The ORPHE plan year runs from July 1 to June 30. See your benefits administrator for information on the current year's limit.
<b>Vesting</b>	<b>Immediate</b> for member contribution account; 5 years for lifetime benefit	<b>Immediate</b> for account balance, including both employer and employee contributions.

	<b>VRS</b>	<b>ORP</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Termination before Retirement</b>	<p>Once you are no longer employed by an employer that provides retirement benefits through a plan administered or authorized by VRS, you may choose to leave your account with VRS or take a refund of your member account balance including accrued interest. If you do not take a refund you retain the service credit and right to any benefit you have earned. If you take a refund you lose the service credit represented by the amount refunded and your right to a lifetime benefit.</p> <p>The refund is subject to federal and state income tax and may be subject to a 10 percent excise tax if taken before age 59 ½ (unless you separate from service after age 55). Taxation may be deferred if rollover is available.</p>	<p>You may take a distribution from your plan account when you are no longer employed by an employer that provides you a retirement benefit through a plan administered or authorized by VRS. Your account balance may be left with your chosen provider, rolled over or taken as a distribution.</p> <p>Distributions are subject to federal and state income taxes, and may be subject to a 10 percent excise tax if taken prior to age 59 ½ (unless you separate from service after age 55 or take essentially equal payments over your lifetime). Taxation may be deferred if a rollover is available.</p>
<b>Taxation of Retirement Benefit</b>	<p>Your retirement benefit is paid as a monthly payment for your lifetime or your lifetime and that of the beneficiary you name. No tax is due until you begin receiving a payment from the Plan. The monthly benefit is taxed as ordinary income for both federal and state income tax.</p>	<p>No tax due until you take a distribution. The distribution is subject to federal and state income tax, as well as an early distribution penalty if taken prior to age 59 ½. The penalty does not apply, if you separate from service after age 55, receive an annuity or take essentially equal payments over your lifetime. Taxation may be deferred if a rollover is available.</p>
<b>Required Minimum Distribution</b>	<p>You are required to take a distribution from the plan the later of the year you reach age 70 ½ or when you are no longer employed by an employer that provides retirement benefits through a plan administered or authorized by VRS.</p>	<p>You are required to take a distribution from the plan the later of the year you reach age 70 ½ or when you are no longer employed by an employer that provides retirement benefits through a plan administered or authorized by VRS.</p>

	<b>VRS</b>	<b>ORP</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Portability</b>	Participation continues if you are employed by one of the approximately 800 Virginia public employers that provide retirement benefits through a VRS administered or authorized retirement plan, including Virginia public colleges and universities, Virginia local governments, all Virginia public schools and Virginia state government agencies. Many types of public service and leave may be purchased to enhance the benefit.	Participation may continue if you remain employed in a faculty position at a Virginia public college or university. ORP participation must continue if you transfer between institutions including to a Virginia public college or university that sponsors its own ORP, unless you do have a break in service.  If you leave public employment in Virginia your account balance may be rolled over to a subsequent employer's qualified plan or an IRA.
<b>Employee Retirement Savings Plans</b>	Participation in a 403(b) plan and the Commonwealth's 457 Deferred Compensation Plan is available regardless of the retirement plan selected.  New hires are subject to Automatic Enrollment in the 403(b) Plan unless they self enroll, contribute to the Commonwealth's 457 Plan, or opt-out of 403(b) Plan participation.	Participation in a 403(b) plan and the Commonwealth's 457 Deferred Compensation Plan is available regardless of the retirement plan selected.  New hires are subject to Automatic Enrollment in the 403(b) Plan unless they self enroll, contribute to the Commonwealth's 457 Plan, or opt-out of 403(b) Plan participation.
<b>Investment Risks</b>	The benefit is guaranteed as long as the Commonwealth continues to make contributions to the Plan.	The investment risk is borne by the employee. Benefit at retirement is based on contributions and gains and losses on investments. Risk varies according to investments chosen.
<b>Investment Costs</b>	Fund management cost is paid by the employer and included in the VRS employer contribution rate.	Fund management costs are borne by the employee.
<b>Inflation Risk (Pre-retirement)</b>	Benefit is related to pay and standard of living just prior to retirement; therefore, initial benefit keeps pace with pre-retirement inflationary trends.	Participant may choose from a variety of investments to address inflation risk.
<b>Inflation Risk (Post-Retirement)</b>	Provides cost-of-living adjustments starting on July 1 of the second calendar year after you retire.  Adjustments are tied to the CPI-urban and may not exceed 6% per year under current law.	Cost-of-living adjustments are not available unless you purchase an annuity with this feature.  Retirees may also make systematic withdrawals from investment accounts allowing the remainder to continue to be invested.

	<b>VRS</b>	<b>ORP</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Eligibility for Benefit Payout</b>	<p>You are eligible for an unreduced benefit when your combination of age and service equals 90 or at Social Security unreduced retirement age with at least 5 years service.</p> <p>Retirement at age 60 with 5 years of service produces an actuarially reduced benefit.</p>	<p>You may begin receiving benefits at termination of employment, regardless of age.</p> <p>Amount of benefit is determined by contributions, gains and losses on account and the length of time the benefit is to be paid.</p>
<b>Disability</b>	<p>You are covered by the Virginia Sickness &amp; Disability Program (VSDP). For non-work related claims VSDP provides replacement income ranging between 100% and 60% of salary in the event of short-term or long-term disability after the completion of one continuous year of active employment. Work related claims are covered as of hire date.</p>	<p>Short Term Disability (STD) for employees in the Optional Retirement Plan is managed by a third party vendor (The Standard) that reviews and approves claims and duration of absence based on medical necessity. Income replacement for the approved STD period is at 100% for the first 5 weeks after a 5 work day waiting period and 80% for the remaining leave period.</p> <p>In an instance when a disability exists longer than the six months of STD, application may be made to receive benefits through long-term disability coverage. Determination of eligibility for benefits is made by the insurance carrier in conjunction with the member's physician.</p> <p>A member whose long-term disability claim has been approved will be eligible for continued employer contributions to life, health, and retirement plans for a period of 12 months from the claim approval date. After the expiration of the 12 months, known as "Ill Health Leave," these benefits will continue subject to the terms of the long-term disability policy and the member's continued payment of premiums.</p>

<p><b>Group Life Insurance (GLI)</b></p> <p><b>For both VRS and the ORP Group Life Insurance is lost if you leave employment and take a refund of your VRS member contribution account or full distribution from your Optional Retirement Plan.</b></p>	<p><b>For natural death, the death benefit is equal to your salary rounded to the next \$1,000, times two. This amount is doubled for accidental death. Life insurance is retained in retirement provided you are at least age 60 with at least 5 years of service. The coverage amount reduces 25% annually until it reaches 25% of the original value. The reduction begins on January 1 of the first full year following the date you leave covered employment. Accidental death benefits cease at retirement.</b></p> <p><b>Additional Optional Life Insurance is available to employees and dependents and may continue into retirement if basic Group Life Insurance is retained and you continue to pay the premium on your optional life insurance coverage.</b></p>	<p><b>The insurance is provided by The Standard. The University provides basic term insurance of \$75,000 until age 55. The value of life insurance decreases from age 55 to age 70. Participants may purchase supplemental life insurance as a multiple of salary of up to 4 times salary not to exceed \$1 million. As a newly eligible employee, evidence of good health is required for \$500,000 and above. Life insurance at retirement is \$10,000. Additional Optional Life Insurance is available to employees and dependents.</b></p>
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	<b>VRS</b>	<b>ORP</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Group Life Insurance (GLI) – Educational Leave</b>	<p>While on educational leave you are reported for GLI at full salary, if you are receiving half pay or more.</p> <p>You are not reported for GLI while on educational leave and less than ½ pay.</p>	<p>While on educational leave you are reported for GLI at full salary, if you are receiving half pay or more.</p> <p>You are not reported for GLI while on educational leave and less than ½ pay.</p>
<b>Life Insurance Conversion</b>	<p>Members leaving employment and not eligible to continue GLI may convert to a private policy within 31 days of termination, without evidence of insurability.</p>	<p>ORP participants leaving employment and not eligible to continue GLI may convert to a private policy within 31 days of termination.</p>
<b>Death in Service</b>	<p>If you die in service, any beneficiary may receive a lump sum distribution of your member contribution account (MCA).</p> <p>If the beneficiary is your spouse, minor child, mother or father they may choose either a lump-sum payout of the MCA or a monthly benefit.</p>	<p>All contributions and investment earnings are payable to your beneficiary.</p> <p>The beneficiary may choose method of payment.</p> <p>No special death in service benefit is available.</p>
<b>Death in Line of Duty</b>	<p>If you die in the line of duty, your surviving spouse, minor child, mother or father will receive as a monthly benefit half your average final compensation (AFC) or 1/3 AFC if the survivor qualifies for Social Security death benefits (offset by Workers' Compensation) Also, your member contribution account is refunded to the named beneficiary.</p>	<p>All contributions and investment earnings are payable to your beneficiary.</p> <p>The beneficiary may choose the method of payment.</p> <p>No special line-of-duty death benefits are available.</p>
<b>Educational Leave of Absence with ½ Pay or More</b>	<p>Employee and employer contributions will continue to be paid on full salary.</p>	<p>Employee and employer contributions will continue to be paid on full salary.</p>
<b>Educational Leave of Absence with Less Than ½ Pay</b>	<p>You may purchase up to four years of service credit for any approved official educational leave of absence from a VRS-covered position.</p>	<p>No contributions are sent.</p>

	<b>VRS</b>	<b>ORP</b>
<b>IRS Code Section</b>	<b>IRC Section 401(a)</b>	<b>IRC Section 401(a)</b>
<b>Health Insurance</b>	<p>UVa health insurance is available while employed.</p> <p>UVa or State retiree health benefit is available if retirement benefit payment begins immediately upon leaving salaried State employment.</p>	<p>UVa employee health insurance is available while employed.</p> <p>At retirement you are eligible for the UVa or state retiree health benefit if you are receiving an immediate periodic payment from the ORP. This can be accomplished by the purchase of an immediate annuity from a plan provider.</p>
<b>Health Credit - Service Retirement</b>	<p>Eligible with 15 years of VRS and /or ORP service. To qualify you must receive an immediate retirement benefit and incur cost for your own health insurance. Benefit is \$4.00 per year of service not to exceed the out of pocket cost for the individual retiree's premium. The credit ceases at your death.</p>	<p>Eligible with 15 years of VRS and/or ORP service. To qualify must receive periodic distribution from the ORP immediately upon qualifying and incur cost for your own health insurance. Benefit is \$4.00 per year of service not to exceed the out of pocket cost for your premium. The credit ceases at your death.</p>
<b>Health Credit – Educational Leave</b>	<p>Educational leave with less than ½ pay does not count toward creditable service for the health insurance credit.</p> <p>Educational leave with ½ pay or more counts as creditable service for the health insurance credit.</p>	<p>Educational leave with less than ½ pay does not count toward creditable service for the health insurance credit.</p> <p>Educational leave with ½ pay or more counts as creditable service for the health insurance credit.</p>
<b>Health Credit – Disability</b>	<p>Receive the higher of \$120 or \$4 per year of service at the time of Disability Retirement or VSDP Long-term Disability.</p> <p>Credit payment may not exceed the out of pocket cost for the individual retiree's premium.</p>	<p>Receive the higher of \$120 or \$4 per year of service at the time of disability if receiving payment from institution sponsored long-term disability plan. Otherwise, 15 years of service required to qualify with credit being \$4 per year of service. Credit payment may not exceed the out of pocket cost for the individual retiree's premium.</p>

	VRS	ORP
IRS Code Section	IRC Section 401(a)	IRC Section 401(a)
<b>Pay Out Options</b>	<p><b>Basic Benefit:</b> For your lifetime only.</p> <p><b>Survivor Options:</b> Reduced lifetime benefit so your survivor continues to receive benefit at your death.</p> <p><b>Partial Lump Sum Option:</b> By working 1-3 years beyond eligibility for unreduced retirement, you may receive a portion of your lifetime benefit as a lump-sum payment at retirement. Your monthly benefit is reduced going forward to provide for the lump sum payment. This option may also be combined with a survivor option.</p> <p><b>Advanced Pension Option:</b> Pays a larger benefit in early years of retirement with reduced benefit later.</p>	<p>Varies according to the provider(s) chosen.</p> <p>The following are generally available: annuity, including survivor options; systematic withdrawal; lump sum withdrawal, partial lump sum, rollover to another plan or IRA.</p>
<b>Change of Payout Option</b>	<p>Basic Benefit, Partial Lump Sum and Advance Pension Options may not be changed after retirement. Survivor options may be changed if: survivor dies first; you are divorced before 20 years of marriage (provided there is no approved court order requiring former spouse to receive survivor benefit); or survivor waives benefit.</p>	<p>Varies according to the provider and option chosen.</p>
<b>Required Minimum Distribution</b>	<p>You must begin a distribution from VRS at the later of age 70 ½ or when you terminate public employment in Virginia.</p>	<p>You must begin a distribution from the plan at the later of age 70 ½ or when you terminate public employment in Virginia.</p>

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## Selecting a Plan

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Your selection of a retirement plan is irrevocable. Because this choice cannot be changed at a later time, it should be made with great care. You have 60 days from the date you are employed in a faculty position to make your choice, notify your Human Resources office and complete the necessary forms. If you do not elect the ORP within 60 days of becoming employed in an eligible position you will automatically be covered by VRS.

### If you choose VRS

If, after reviewing the features of VRS and the ORP, you conclude that the VRS defined benefit plan better meets your needs, you should advise your Human Resources office of your decision. There is no enrollment form to complete. However, your employer may require that you complete a form indicating your choice.

To designate the beneficiary, other than the order of precedence, for your VRS Member Contribution Account and Group Life Insurance obtain the Designation of Beneficiary (VRS-2) from your Human Resources office or from the VRS Web site at [www.varetire.org](http://www.varetire.org). Under Members tab select Forms. Refer to Member Handbook for more details on the Order of Precedence.

You may learn more about VRS by visiting the VRS Web site at [www.varetire.org](http://www.varetire.org). Direct contact information is as follows:

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

### If you choose the ORP

If you decide a defined contribution plan such as the ORP will serve you better, there are three actions you must take:

1. Complete the Election to Participate in Optional Retirement Plan for Higher Education (VRS-65) and return it to your Human Resources office. The form is available on the VRS Web site.
2. Select the investment provider to which you want your contributions sent. Enroll with that provider using the prescribed method and select from the investments available.
3. Designate the beneficiaries you wish to receive your ORP account in the event of your death using provider's form

Contributions may go to one provider only. However, you may spread your contributions among the investment options available through that provider. Contributions will be retroactive to your hire date.



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## ORP Providers

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Investment providers available to plan participants are:

**Fidelity Investments**  
**1(800) 343-0860**  
**Contact Center & IVR**  
<https://www.mysavingsatwork.com/atwork/uva.htm>

**TIAA-CREF**  
**1(800) 842-2733 Contact Center**  
<http://www.tiaa-cref.org/uva>

**The Vanguard Group**  
**1(800) 523-1188 Contact Center**  
<http://uva.vanguard-education.com>

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## Benefit Illustrations

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This guide provides benefit illustrations between the estimated value of annual benefits provided under VRS versus the ORP for various age and service combinations using different assumptions. Please read the Glossary of Terms and Methodology carefully when reviewing these illustrations.

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## Final Comments

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Please note that provision of an optional plan does not constitute a recommendation for such plan, nor acceptance by the Commonwealth of any responsibility for its financial condition or future benefit payments. The Commonwealth reserves the right to amend or terminate the plan at any time and without the consent of any other party.

The Commonwealth of Virginia reserves the right to change the providers or investments available to plan participants. A change of investment providers or available funds may affect all accounts held under the Plan or may effect only future contributions, depending on the decision made and the circumstances at the time.



**University of Virginia's Defined Contribution Plans Fund Performance**

<b>Equities</b>		<b>Performance as of June 30, 2010*</b>						
<b>Large Value</b>		<b>Qtr</b>	<b>YTD</b>	<b>1 Yr</b>	<b>3 Yrs</b>	<b>5 Yrs</b>	<b>10 Yrs</b>	<b>Expense</b>
Fidelity & Vanguard	Allianz NFJ Dividend Value Admin	(10.44)	(7.71)	13.31	(13.84)	(1.52)	5.74	0.98
TIAA-CREF	Eaton Vance Large-Cap Value I	(13.27)	(8.14)	11.74	(10.35)	0.04	-	0.78
	<b>Russell 1000 Value Index</b>	<b>(11.15)</b>	<b>(5.12)</b>	<b>16.92</b>	<b>(12.32)</b>	<b>(1.64)</b>	<b>2.38</b>	<b>-</b>
	<b>Large Blend</b>							<b>Expense</b>
TIAA-CREF	CREF Equity Index	(11.36)	(6.20)	15.31	(9.78)	(0.86)	(1.27)	0.38
	<b>Russell 3000 Index</b>	<b>(11.32)</b>	<b>(6.05)</b>	<b>15.72</b>	<b>(9.47)</b>	<b>(0.48)</b>	<b>(0.92)</b>	<b>-</b>
TIAA-CREF	CREF Stock	(11.90)	(7.64)	14.07	(9.94)	0.10	(0.69)	0.44
	<b>80% Russell 3000 &amp; 20% MSCI EAFE Index</b>	<b>(11.81)</b>	<b>(7.43)</b>	<b>13.85</b>	<b>(10.16)</b>	<b>(0.12)</b>	<b>(0.62)</b>	<b>-</b>
	<b>Large Growth</b>							<b>Expense</b>
Fidelity	Janus Forty S	(14.53)	(11.33)	6.19	(4.34)	2.99	(0.20)	1.17
Fidelity	Fidelity Contrafund	(8.11)	(4.80)	16.42	(5.30)	3.05	2.81	1.02
TIAA-CREF	American Funds Growth Fund of Amer R5	(11.60)	(7.84)	10.73	(8.23)	1.13	-	0.40
Vanguard	Vanguard PRIMECAP	(13.53)	(10.46)	11.54	(5.88)	2.63	0.56	0.49
	<b>Russell 1000 Growth Index</b>	<b>(11.75)</b>	<b>(7.65)</b>	<b>13.62</b>	<b>(6.91)</b>	<b>0.38</b>	<b>(5.14)</b>	<b>-</b>
	<b>Medium Blend</b>							<b>Expense</b>
Vanguard	Vanguard Total Stock Mkt Idx	(11.32)	(6.00)	15.87	(9.24)	(0.28)	(0.81)	0.18
Fidelity	Fidelity Spartan Total Market Index Inv	(11.15)	(5.69)	16.06	(9.28)	(0.23)	(0.82)	0.10
	<b>DJ Wilshire 5000 Index</b>	<b>(11.19)</b>	<b>(5.83)</b>	<b>15.68</b>	<b>(9.36)</b>	<b>(0.28)</b>	<b>(0.78)</b>	<b>-</b>
	<b>Medium Value</b>							<b>Expense</b>
Fidelity	Fidelity Low-Priced Stock	(9.97)	(2.44)	21.12	(6.44)	2.28	10.19	0.99
	<b>Russell Mid Cap Value Index</b>	<b>(9.57)</b>	<b>(0.88)</b>	<b>28.91</b>	<b>(9.44)</b>	<b>0.71</b>	<b>7.55</b>	<b>-</b>
	<b>Small Value</b>							<b>Expense</b>
Fidelity	American Beacon Small Cap Val Inv	(10.98)	(1.68)	28.23	(8.44)	(0.00)	10.74	1.16
TIAA-CREF	Columbia Small Cap Value I Z	(8.49)	(0.56)	23.28	(6.57)	2.13	8.02	1.08
Vanguard	Keeley Small Cap Value I	(11.80)	(5.18)	17.27	-	-	-	1.14
	<b>Russell 2000 Value Index</b>	<b>(10.60)</b>	<b>(1.64)</b>	<b>25.07</b>	<b>(9.85)</b>	<b>(0.51)</b>	<b>7.48</b>	<b>-</b>
	<b>Small Growth</b>							<b>Expense</b>
Fidelity	AIM Small Cap Growth Inv	(7.96)	(2.02)	17.17	(7.26)	-	-	1.31
TIAA-CREF	Sentinel Small Company A	(6.92)	(1.75)	18.81	(5.50)	2.50	6.60	1.28
Vanguard	Vanguard Explorer Inv	(9.89)	(2.22)	20.28	(9.01)	(0.11)	1.71	0.54
	<b>Russell 2000 Growth Index</b>	<b>(9.22)</b>	<b>(2.31)</b>	<b>17.96</b>	<b>(7.54)</b>	<b>1.14</b>	<b>(1.72)</b>	<b>-</b>
	<b>Foreign Stock (limited US exposure)</b>							<b>Expense</b>
Fidelity	Fidelity Diversified International	(13.74)	(13.21)	5.58	(13.18)	0.76	2.87	1.01
Vanguard	Thornburg International Value R5	(9.18)	(7.48)	11.04	(7.68)	5.96	-	0.99
	<b>MSCI EAFE Index</b>	<b>(13.75)</b>	<b>(12.93)</b>	<b>6.38</b>	<b>(12.94)</b>	<b>1.35</b>	<b>0.59</b>	<b>-</b>
	<b>Emerging Market (limited US exposure)</b>							<b>Expense</b>
Fidelity	Fidelity Emerging Markets	(10.13)	(8.23)	22.34	(8.50)	10.52	7.98	1.16
TIAA-CREF	Lazard Emerging Markets Equity Open	(9.03)	(3.61)	24.59	(1.44)	13.53	11.83	1.55
Vanguard	Vanguard Emerging Mkts Stock Idx	(9.12)	(6.87)	22.09	(3.06)	11.78	10.09	0.40
	<b>MSCI Emerging Markets Index</b>	<b>(8.29)</b>	<b>(6.04)</b>	<b>23.48</b>	<b>(2.22)</b>	<b>13.07</b>	<b>10.34</b>	<b>-</b>
	<b>Fixed Income</b>							<b>Performance as of June 30, 2010*</b>
	<b>Money Market/Stable Value</b>	<b>Qtr</b>	<b>YTD</b>	<b>1 Yr</b>	<b>3 Yrs</b>	<b>5 Yrs</b>	<b>10 Yrs</b>	<b>Expense</b>
Fidelity	Fidelity Retirement Money Market	0.00	0.01	0.13	2.02	3.03	2.72	0.45
TIAA-CREF	CREF Money Market	0.00	0.00	0.01	1.65	2.76	2.56	0.38
Vanguard	Vanguard Prime Money Market Inv	0.01	0.02	0.10	1.94	3.01	2.73	0.25
	<b>BofA ML 3M US Treasury Note</b>	<b>0.03</b>	<b>0.06</b>	<b>0.13</b>	<b>1.59</b>	<b>2.77</b>	<b>2.67</b>	<b>-</b>
Fidelity	Fidelity Managed Income Portfolio - Class I	0.31	0.60	1.16	2.73	3.26	4.06	0.55
TIAA-CREF	TIAA Traditional Retirement Annuity	0.98	1.96	3.65	4.81	4.43	6.46	-
Vanguard	Vanguard Retirement Savings Trust VIII	0.67	1.36	2.79	3.55	3.82	-	0.40
	<b>Barclays Capital Government 1-3 Yr Bond Index</b>	<b>1.17</b>	<b>1.89</b>	<b>2.85</b>	<b>4.94</b>	<b>4.37</b>	<b>4.53</b>	<b>-</b>
	<b>Intermediate Gov't Corporate</b>							<b>Expense</b>
Fidelity & Vanguard	PIMCO Total Return Admin	2.69	5.67	13.03	10.84	7.18	7.56	0.71
TIAA-CREF	PIMCO Total Return Instl	2.75	5.80	13.31	11.12	7.44	7.83	0.46
	<b>Barclays Capital Aggregate Index</b>	<b>3.49</b>	<b>5.33</b>	<b>9.50</b>	<b>7.55</b>	<b>5.54</b>	<b>6.47</b>	<b>-</b>
	<b>Barclays Capital Intermediate Gov't Credit Index</b>	<b>2.97</b>	<b>4.56</b>	<b>8.29</b>	<b>6.97</b>	<b>5.26</b>	<b>6.06</b>	<b>-</b>

\*Return information provided by Morningstar, Fidelity, TIAA-CREF and Vanguard and deemed reliable.

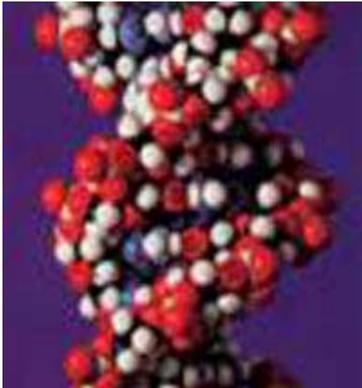
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University of Virginia's Defined Contribution Plans Fund Performance

Asset Allocation/Balanced		Performance as of June 30, 2010*						
Asset Allocation	Qtr	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Expense	
Fidelity	Fidelity Freedom Income	(1.19)	1.02	10.86	1.51	3.33	3.33	0.50
TIAA-CREF	TIAA-CREF Lifecycle Retire Inc Retire	(3.08)	(0.31)	10.78	-	-	-	0.65
Vanguard	Vanguard Target Retirement Income	(1.20)	1.21	10.98	2.53	3.72	-	0.18
Fidelity	Fidelity Freedom 2000	(1.47)	0.79	11.09	0.77	3.12	2.85	0.51
Fidelity	Fidelity Freedom 2005	(4.33)	(1.56)	13.10	(2.34)	2.40	-	0.64
Vanguard	Vanguard Target Retirement 2005	(2.13)	0.55	11.83	0.62	3.25	-	0.18
	<b>Dow Jones Target 2005 Index</b>	<b>0.86</b>	<b>3.54</b>	<b>11.89</b>	<b>4.40</b>	<b>4.79</b>	<b>5.35</b>	-
Fidelity	Fidelity Freedom 2010	(5.06)	(2.17)	13.33	(2.54)	2.39	2.14	0.67
TIAA-CREF	TIAA-CREF Lifecycle 2010 Retire	(4.78)	(1.68)	11.80	(2.53)	1.91	-	0.65
Vanguard	Vanguard Target Retirement 2010	(4.15)	(0.93)	12.83	(1.28)	-	-	0.17
	<b>Dow Jones Target 2010 Index</b>	<b>(0.06)</b>	<b>2.99</b>	<b>12.81</b>	<b>2.73</b>	<b>4.19</b>	<b>4.75</b>	-
Fidelity	Fidelity Freedom 2015	(5.28)	(2.37)	13.60	(3.26)	2.48	-	0.68
TIAA-CREF	TIAA-CREF Lifecycle 2015 Retire	(6.05)	(2.59)	12.20	(3.50)	1.41	-	0.67
Vanguard	Vanguard Target Retirement 2015	(5.62)	(2.03)	13.26	(2.80)	2.34	-	0.17
	<b>Dow Jones Target 2015 Index</b>	<b>(1.42)</b>	<b>2.16</b>	<b>14.06</b>	<b>0.80</b>	<b>3.77</b>	<b>4.21</b>	-
Fidelity	Fidelity Freedom 2020	(6.76)	(3.57)	14.65	(5.17)	1.87	1.04	0.74
TIAA-CREF	TIAA-CREF Lifecycle 2020 Retire	(7.30)	(3.64)	12.35	(5.45)	0.75	-	0.67
Vanguard	Vanguard Target Retirement 2020	(6.84)	(3.06)	13.58	(4.12)	-	-	0.18
	<b>Dow Jones Target 2020 Index</b>	<b>(3.12)</b>	<b>1.09</b>	<b>15.49</b>	<b>(1.23)</b>	<b>3.23</b>	<b>3.62</b>	-
Fidelity	Fidelity Freedom 2025	(7.87)	(4.50)	14.42	(5.98)	1.55	-	0.76
TIAA-CREF	TIAA-CREF Lifecycle 2025 Retirement	(8.41)	(4.54)	12.72	(6.87)	0.12	-	0.69
Vanguard	Vanguard Target Retirement 2025	(7.96)	(3.98)	13.95	(5.48)	1.34	-	0.19
	<b>Dow Jones Target 2025 Index</b>	<b>(5.04)</b>	<b>(0.16)</b>	<b>17.07</b>	<b>(3.12)</b>	<b>2.64</b>	<b>3.06</b>	-
Fidelity	Fidelity Freedom 2030	(8.73)	(5.19)	14.72	(7.71)	0.92	0.01	0.79
TIAA-CREF	TIAA-CREF Lifecycle 2030 Retirement	(9.67)	(5.68)	12.84	(8.37)	(0.52)	-	0.71
Vanguard	Vanguard Target Retirement 2030	(9.11)	(4.97)	14.11	(6.82)	-	-	0.19
	<b>Dow Jones Target 2030 Index</b>	<b>(6.77)</b>	<b>(1.31)</b>	<b>18.40</b>	<b>(4.82)</b>	<b>2.03</b>	<b>2.58</b>	-
Fidelity	Fidelity Freedom 2035	(9.59)	(6.07)	14.24	(8.28)	0.63	-	0.81
TIAA-CREF	TIAA-CREF Lifecycle 2035 Retire	(10.87)	(6.74)	12.75	(9.19)	(0.78)	-	0.72
Vanguard	Vanguard Target Retirement 2035	(10.18)	(5.85)	14.13	(7.66)	0.72	-	0.20
	<b>Dow Jones Target 2035 Index</b>	<b>(8.13)</b>	<b>(2.24)</b>	<b>19.35</b>	<b>(6.09)</b>	<b>1.52</b>	<b>2.28</b>	-
Fidelity	Fidelity Freedom 2040	(9.90)	(6.25)	14.40	(8.81)	0.44	-	0.81
TIAA-CREF	TIAA-CREF Lifecycle 2040 Retire	(10.77)	(6.62)	12.94	(9.12)	(0.43)	-	0.72
Vanguard	Vanguard Target Retirement 2040	(10.18)	(5.93)	14.15	(7.57)	-	-	0.20
	<b>Dow Jones Target 2040 Index</b>	<b>(8.98)</b>	<b>(2.83)</b>	<b>19.87</b>	<b>(6.76)</b>	<b>1.20</b>	<b>2.14</b>	-
Fidelity	Fidelity Freedom 2045	(10.13)	(6.52)	14.45	(8.95)	-	-	0.82
TIAA-CREF	TIAA-CREF Lifecycle 2045 Retirement	(10.81)	(6.88)	12.72	-	-	-	0.72
Vanguard	Vanguard Target Retirement 2045	(10.24)	(5.91)	14.14	(7.65)	1.05	-	0.20
	<b>Dow Jones Target 2045 Index</b>	<b>(9.23)</b>	<b>(3.01)</b>	<b>19.94</b>	<b>(6.84)</b>	<b>1.15</b>	<b>2.11</b>	-
Fidelity	Fidelity Freedom 2050	(10.73)	(7.10)	14.30	(9.77)	-	-	0.84
TIAA-CREF	TIAA-CREF Lifecycle 2050 Retire	(10.66)	(6.66)	12.94	-	-	-	0.71
Vanguard	Vanguard Target Retirement 2050	(10.19)	(5.91)	14.11	(7.62)	-	-	0.20
	<b>Dow Jones Target 2050 Index</b>	<b>(9.23)</b>	<b>(3.01)</b>	<b>19.94</b>	<b>(6.84)</b>	<b>1.15</b>	<b>2.11</b>	-
<b>Balanced</b>								
Vanguard	Vanguard Wellington	(6.75)	(3.32)	12.41	(2.14)	3.84	5.92	0.34
TIAA-CREF	CREF Social Choice	(5.36)	(1.93)	14.10	(2.49)	2.06	2.11	0.40
	<b>60% S&amp;P 500 40% Barclays Capital Inter Govt/Credit Index</b>							
<b>Specialty</b>								
<b>Inflation Adjusted Treasuries</b>								
	<b>Qtr</b>	<b>YTD</b>	<b>1 Yr</b>	<b>3 Yrs</b>	<b>5 Yrs</b>	<b>10 Yrs</b>	<b>Expense</b>	
Fidelity & Vanguard	PIMCO Real Return Admin	3.79	5.03	13.06	8.63	5.29	7.69	0.70
TIAA-CREF	CREF Inflation-Linked Bond	3.92	4.25	9.19	7.10	4.49	6.99	0.40
	<b>Barclays Capital TIPS Index</b>	<b>3.82</b>	<b>4.41</b>	<b>9.52</b>	<b>7.62</b>	<b>4.98</b>	<b>7.46</b>	-
<b>High Yield</b>								<b>Expense</b>
Fidelity	Goldman Sachs High Yield A	(0.55)	3.43	24.55	3.36	5.42	6.64	1.07
TIAA-CREF	BlackRock High Yield Bond Instl	(0.35)	6.70	33.03	5.13	6.88	7.34	0.72
	<b>Barclays Capital High Yield Corporate Bond Index</b>	<b>(0.11)</b>	<b>4.51</b>	<b>26.77</b>	<b>6.54</b>	<b>7.17</b>	<b>7.32</b>	-
<b>Real Estate</b>								<b>Expense</b>
Fidelity	Fidelity Real Estate Investment	(4.51)	6.31	63.70	(9.36)	(0.31)	9.44	0.92
Vanguard	AIM Real Estate Inst	(4.47)	2.78	47.76	(8.04)	1.73	-	0.86
	<b>DJ US Select REIT Index</b>	<b>(4.13)</b>	<b>5.28</b>	<b>55.68</b>	<b>(10.33)</b>	<b>(0.36)</b>	<b>9.74</b>	-
TIAA-CREF	TIAA Real Estate Account	4.44	2.41	(10.19)	(12.34)	(2.34)	2.83	1.06

\*Return information provided by Morningstar, Fidelity, TIAA-CREF and Vanguard and deemed reliable

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## VRS v. ORP

### Benefit Illustrations –

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#### Glossary of Terms

• **Annual Benefit**

Amount payable for life to the participant at retirement  
Under ORP 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 ORP rate of return.

• **Average Final Compensation**

The average of the 60 consecutive months of highest creditable compensation in the member's VRS salary history, which is used to calculate benefits under VRS benefit formula

• **COLA**

An increase in the monthly benefit given in the second calendar year after retirement. Increases, if any, are made yearly thereafter. The amount of the COLA is equal to the first two percent of the increase in the Consumer Price Index (CPI-Urban), plus half of next eight percentage increase, not to exceed six percent in any year. Calculations assume a 2.25 percent cost of living increase.

• **Creditable Compensation**

The full compensation payable annually to an employee working full-time in a VRS-covered position. Annual salary does not include overtime pay, extraordinary pay, bonus pay, non-permanent shift differentials or termination pay for annual or sick leave.

• **ORP Return**

Assumed rate of return on employee directed investments in ORP  
Rate of return not guaranteed.

• **ORP Contribution**

Annual percent of pay contributed on behalf of each participant in the ORP: 8.5 percent from employer and five percent from employee.

• **Salary Increases**

Assumed annual rate of increase from date of hire until retirement

#### Methodology

• The following benefit illustrations are intended to provide an estimate of the relative value of the benefits provided under VRS versus ORP for various age and service combinations. They were developed based on plan provisions that became effective July 1, 2010 and the stated assumptions as to annual salary increases, current salary level, annual return on ORP account balances, and future cost of living adjustments (COLA).

• 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 the ORP 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 blended life expectancy.

• Keep in mind that these estimates are for illustrative purposes only. Actual benefits will be based on actual plan provisions, salary history, investment returns, and form of payment elected at retirement and could be higher or lower than the benefits illustrated.

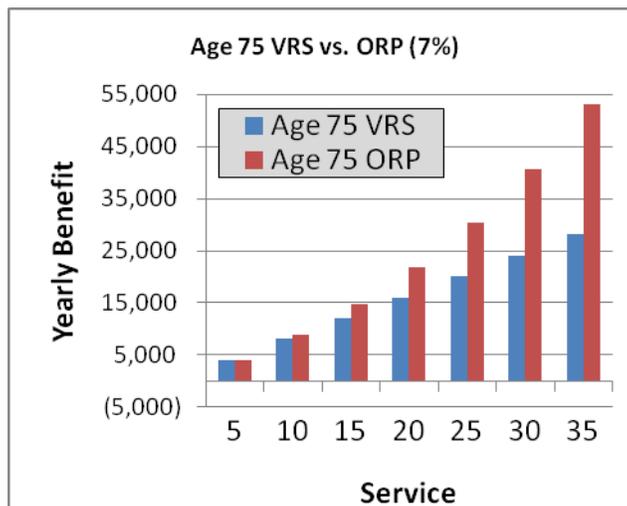
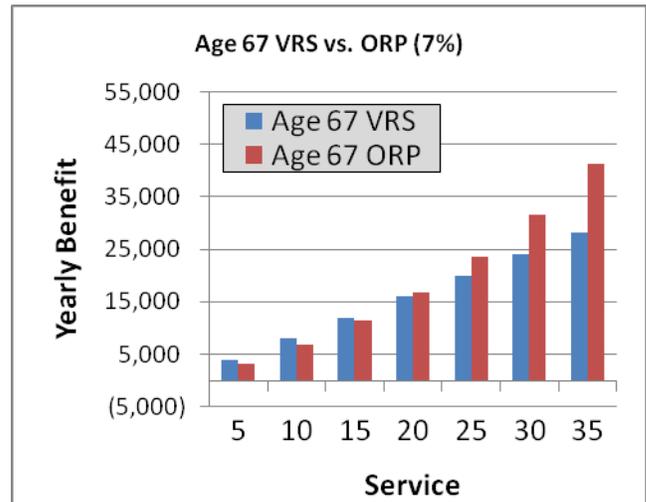
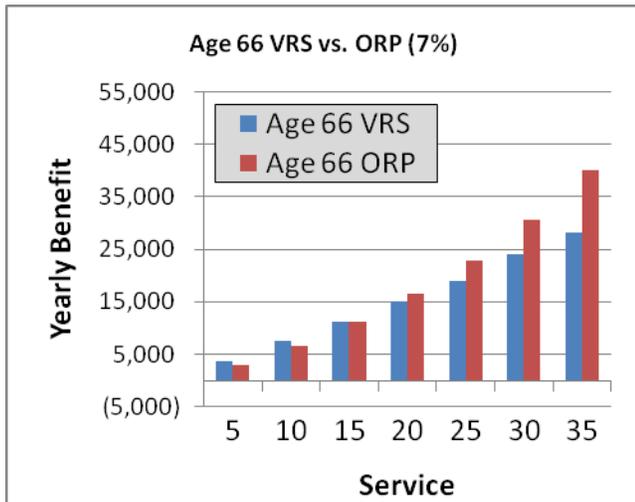
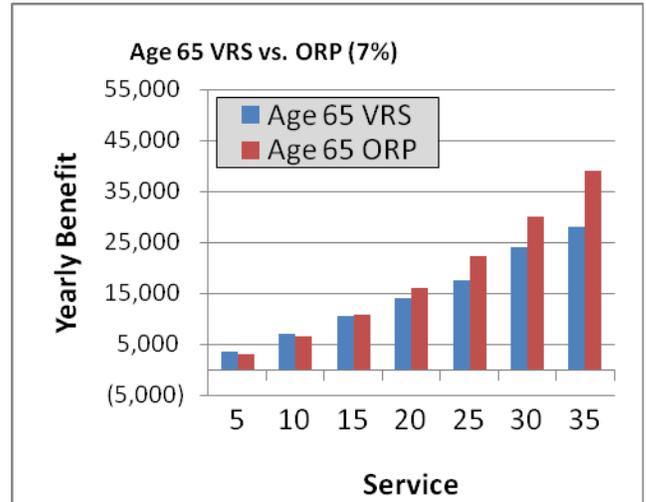
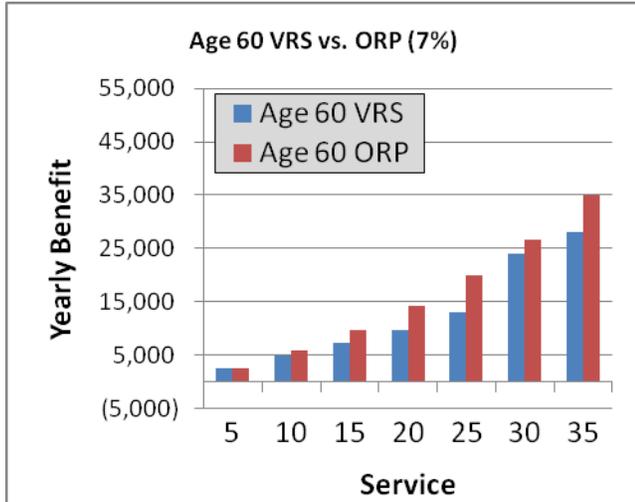
## Comparing VRS to ORP Annual Benefits Illustration

Plan 2 Assumptions			
Salary Increases	3.00%	COLA	2.25%
ORP Annual Rate of Return	7.00%	Final Salary	\$50,000
ORP Contribution	13.50%	Average Final Compensation	\$47,171

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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,216	4,897	8,141	12,066	16,814	22,559	29,509
<i>Difference</i>														
Age 55 Annual Benefit	N/A	N/A	N/A	N/A	N/A	N/A	28,067	2,387	5,275	8,769	12,996	18,111	24,299	31,785
<i>Difference</i>							(3,718)							3,718
Age 60 Annual Benefit	2,422	4,844	7,265	9,687	13,071	24,057	28,067	2,622	5,794	9,632	14,275	19,892	26,688	34,911
<i>Difference</i>	(200)	(950)	(2,366)	(4,588)	(6,821)	(2,631)	(6,844)	200	950	2,366	4,588	6,821	2,631	6,844
Age 65 Annual Benefit	3,528	7,057	10,585	14,114	17,642	24,057	28,067	2,941	6,499	10,804	16,013	22,314	29,938	39,162
<i>Difference</i>	587	557	(219)	(1,899)	(4,672)	(5,881)	(11,095)	(587)	(557)	219	1,899	4,672	5,881	11,095
Age 66 Annual Benefit	3,769	7,538	11,307	15,076	18,845	24,057	28,067	3,017	6,667	11,083	16,426	22,890	30,711	40,172
<i>Difference</i>	752	871	224	(1,350)	(4,045)	(6,654)	(12,106)	(752)	(871)	(224)	1,350	4,045	6,654	12,106
Age 67 Annual Benefit	4,010	8,019	12,029	16,038	20,048	24,057	28,067	3,097	6,845	11,379	16,864	23,500	31,530	41,244
<i>Difference</i>	912	1,174	650	826	(3,453)	(7,472)	(13,177)	(912)	(1,174)	(650)	826	3,453	7,472	13,177
Age 75 Annual Benefit	4,010	8,019	12,029	16,038	20,048	24,057	28,067	3,990	8,818	14,659	21,725	30,275	40,618	53,132
<i>Difference</i>	19	(799)	(2,630)	(5,687)	(10,227)	(16,561)	(25,066)	(19)	799	2,630	5,687	10,227	16,561	25,066

## Comparing VRS to ORP Annual Benefits Illustration

Plan 2 Assumptions Graphs			
Salary Increases	3.00%	COLA	2.25%
ORP Annual Rate of Return	<b>7.00%</b>	Final Salary	\$50,000
ORP Contribution	13.50%	Average Final Compensation	\$47,171



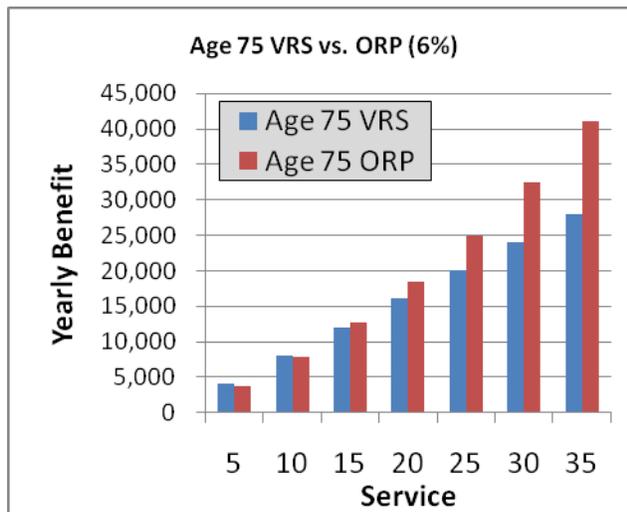
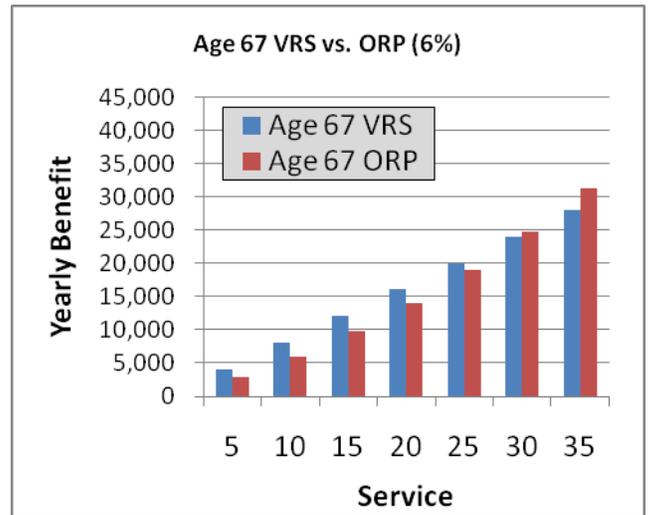
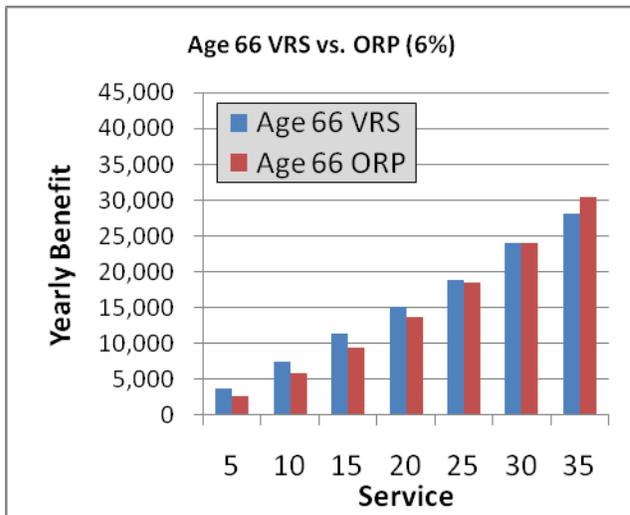
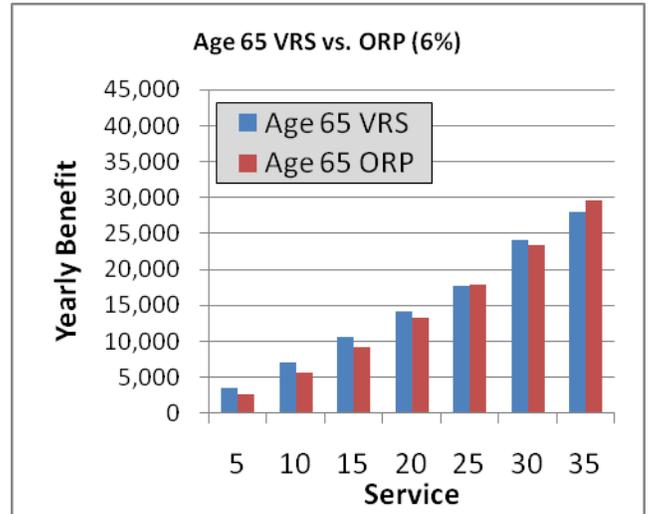
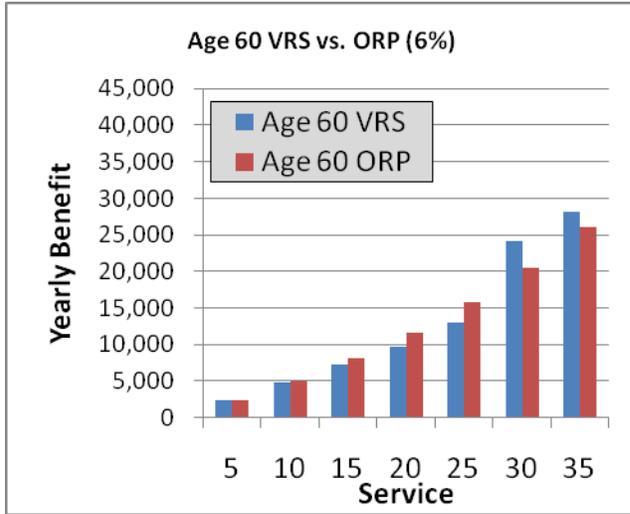
## Comparing VRS to ORP Annual Benefits Illustration

Plan 2 Assumptions			
Salary Increases	3.00%	COLA	2.25%
ORP Annual Rate of Return	<b>6.00%</b>	Final Salary	\$50,000
ORP Contribution	13.5%	Average Final Compensation	\$47,171

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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,916	4,129	6,682	9,630	13,033	16,961	21,496
<i>Difference</i>														
Age 55 Annual Benefit	N/A	N/A	N/A	N/A	N/A	N/A	28,067	2,088	4,498	7,280	10,492	14,199	18,479	23,420
<i>Difference</i>							4,647							(4,647)
Age 60 Annual Benefit	2,422	4,844	7,265	9,687	13,071	24,057	28,067	2,321	4,999	8,092	11,662	15,782	20,539	26,030
<i>Difference</i>	101	(156)	(827)	(1,975)	(2,711)	3,518	2,036	(101)	156	827	1,975	2,711	(3,518)	(2,036)
Age 65 Annual Benefit	3,528	7,057	10,585	14,114	17,642	24,057	28,067	2,635	5,677	9,188	13,241	17,920	23,321	29,556
<i>Difference</i>	893	1,380	1,397	872	(278)	736	(1,489)	(893)	(1,380)	(1,397)	(872)	278	(736)	1,489
Age 66 Annual Benefit	3,769	7,538	11,307	15,076	18,845	24,057	28,067	2,710	5,837	9,448	13,616	18,427	23,981	30,393
<i>Difference</i>	1,059	1,701	1,859	1,460	418	76	(2,326)	(1,059)	(1,701)	(1,859)	(1,460)	(418)	(76)	2,326
Age 67 Annual Benefit	4,010	8,019	12,029	16,038	20,048	24,057	28,067	2,789	6,008	9,724	14,013	18,965	24,681	31,279
<i>Difference</i>	1,221	2,011	2,305	2,025	1,083	(624)	(3,213)	(1,221)	(2,011)	(2,305)	(2,025)	(1,083)	624	3,213
Age 75 Annual Benefit	4,010	8,019	12,029	16,038	20,048	24,057	28,067	3,663	7,892	12,774	18,409	24,914	32,423	41,092
<i>Difference</i>	346	127	(745)	(2,371)	(4,867)	(8,366)	(13,025)	(346)	(127)	745	2,371	4,867	8,366	13,025

# Comparing VRS to ORP Annual Benefits Illustration

Plan 2 Assumptions Graphs			
Salary Increases	3.00%	COLA	2.25%
ORP Annual Rate of Return	<b>6.00%</b>	Final Salary	\$50,000
ORP Contribution	13.5%	Average Final Compensation	\$47,171



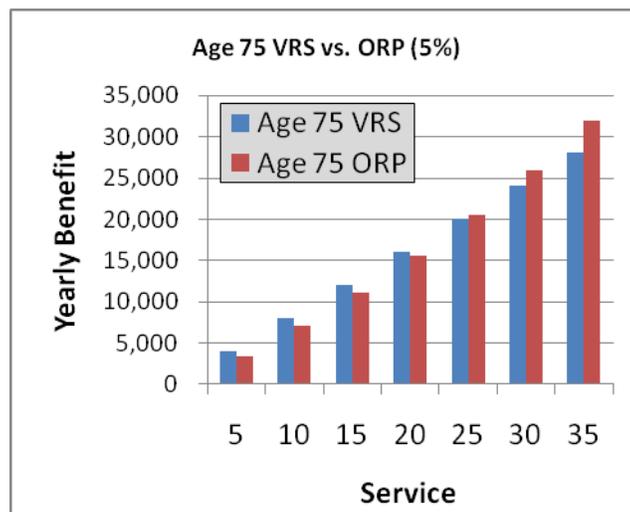
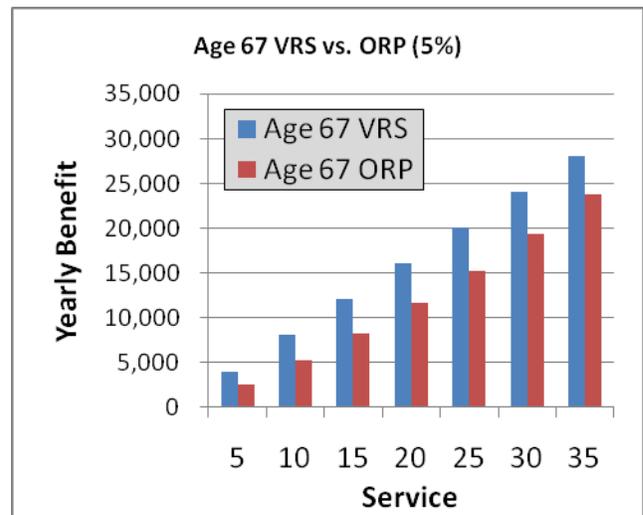
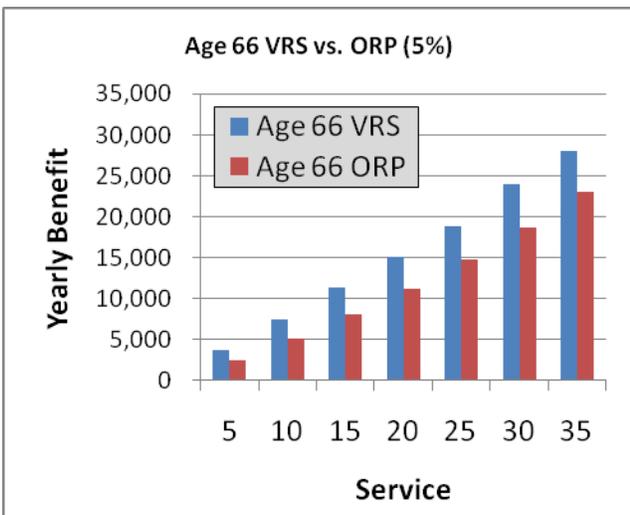
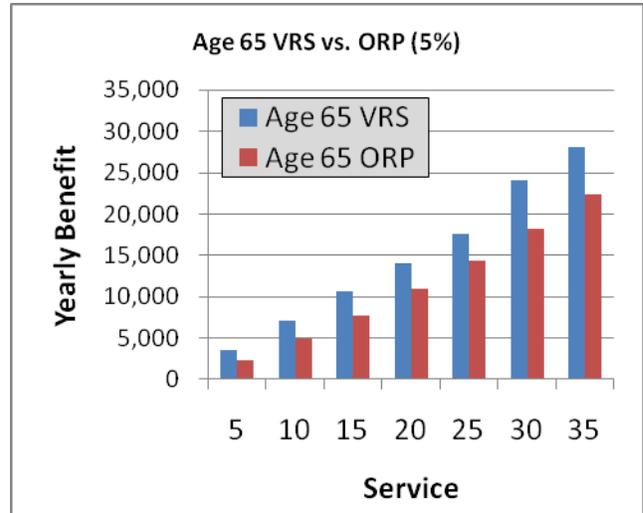
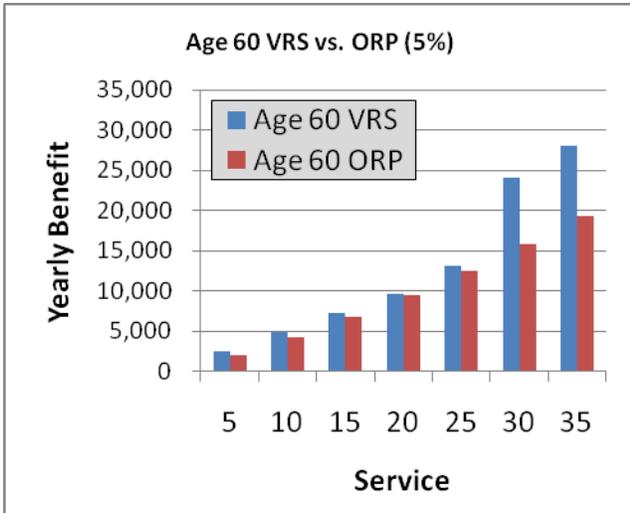
## Comparing VRS to ORP Annual Benefits Illustration

Plan 2 Assumptions			
Salary Increases	3.00%	COLA	2.25%
ORP Annual Rate of Return	<b>5.00%</b>	Final Salary	\$50,000
ORP Contribution	13.50%	Average Final Compensation	\$47,171

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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,638	3,442	5,428	7,614	10,021	12,671	15,588
<i>Difference</i>														
Age 55 Annual Benefit	N/A	N/A	N/A	N/A	N/A	N/A	28,067	1,809	3,801	5,994	8,408	11,065	13,991	17,213
<i>Difference</i>							10,854							(10,854)
Age 60 Annual Benefit	2,422	4,844	7,265	9,687	13,071	24,057	28,067	2,038	4,283	6,753	9,473	12,468	15,765	19,394
<i>Difference</i>	383	561	512	214	603	8,293	8,672	(383)	(561)	(512)	(214)	(603)	(8,293)	(8,672)
Age 65 Annual Benefit	3,528	7,057	10,585	14,114	17,642	24,057	28,067	2,346	4,930	7,774	10,905	14,352	18,147	22,325
<i>Difference</i>	1,182	2,127	2,811	3,209	3,290	5,910	5,742	(1,182)	(2,127)	(2,811)	(3,209)	(3,290)	(5,910)	(5,742)
Age 66 Annual Benefit	3,769	7,538	11,307	15,076	18,845	24,057	28,067	2,419	5,083	8,016	11,244	14,799	18,712	23,020
<i>Difference</i>	1,349	2,455	3,291	3,832	4,046	5,346	5,047	(1,349)	(2,455)	(3,291)	(3,832)	(4,046)	(5,346)	(5,047)
Age 67 Annual Benefit	4,010	8,019	12,029	16,038	20,048	24,057	28,067	2,497	5,246	8,272	11,604	15,272	19,310	23,756
<i>Difference</i>	1,513	2,773	3,757	4,434	4,776	4,747	4,311	(1,513)	(2,773)	(3,757)	(4,434)	(4,776)	(4,747)	(4,311)
Age 75 Annual Benefit	4,010	8,019	12,029	16,038	20,048	24,057	28,067	3,351	7,041	11,103	15,576	20,499	25,920	31,887
<i>Difference</i>	658	978	925	463	(452)	(1,863)	(3,821)	(658)	(978)	(925)	(463)	452	1,863	3,821

# Comparing VRS to ORP Annual Benefits Illustration

Plan 2 Assumptions Graphs			
Salary Increases	3.00%	COLA	2.25%
ORP Annual Rate of Return	<b>5.00%</b>	Final Salary	\$50,000
ORP Contribution	13.50%	Average Final Compensation	\$47,171



## Comparing VRS to ORP Annual Benefits Illustration

Plan 2 Assumptions			
Salary Increases	3.00%	COLA	2.25%
ORP Annual Rate of Return	<b>4.00%</b>	Final Salary	\$50,000
ORP Contribution	13.5%	Average Final Compensation	\$47,171

Age at Retirement	VRS							ORP						
	Service							Service						
	5	10	15	20	25	30	35	5	10	15	20	25	30	35
Age 50 Annual Benefit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,383	2,835	4,359	5,958	7,636	9,397	11,246
<b>Difference</b>														
Age 55 Annual Benefit	N/A	N/A	N/A	N/A	N/A	N/A	28,067	1,552	3,180	4,889	6,682	8,565	10,540	12,613
<b>Difference</b>							15,453							(15,453)
Age 60 Annual Benefit	2,422	4,844	7,265	9,687	13,071	24,057	28,067	1,776	3,639	5,595	7,648	9,802	12,063	14,436
<b>Difference</b>	646	1,204	1,670	2,039	3,269	11,994	13,631	(646)	(1,204)	(1,670)	(2,039)	(3,269)	(11,994)	(13,631)
Age 65 Annual Benefit	3,528	7,057	10,585	14,114	17,642	24,057	28,067	2,076	4,255	6,541	8,941	11,459	14,102	16,876
<b>Difference</b>	1,452	2,802	4,044	5,173	6,183	9,955	11,190	(1,452)	(2,802)	(4,044)	(5,173)	(6,183)	(9,955)	(11,190)
Age 66 Annual Benefit	3,769	7,538	11,307	15,076	18,845	24,057	28,067	2,147	4,400	6,765	9,247	11,852	14,586	17,455
<b>Difference</b>	1,622	3,137	4,542	5,829	6,993	9,471	10,612	(1,622)	(3,137)	(4,542)	(5,829)	(6,993)	(9,471)	(10,612)
Age 67 Annual Benefit	4,010	8,019	12,029	16,038	20,048	24,057	28,067	2,223	4,555	7,003	9,572	12,268	15,098	18,068
<b>Difference</b>	1,787	3,464	5,026	6,466	7,779	8,959	9,999	(1,787)	(3,464)	(5,026)	(6,466)	(7,779)	(8,959)	(9,999)
Age 75 Annual Benefit	4,010	8,019	12,029	16,038	20,048	24,057	28,067	3,055	6,261	9,625	13,156	16,862	20,752	24,834
<b>Difference</b>	955	1,758	2,403	2,882	3,185	3,306	3,233	(955)	(1,758)	(2,403)	(2,882)	(3,185)	(3,306)	(3,233)

# Comparing VRS to ORP Annual Benefits Illustration

Plan 2 Assumptions Graphs			
Salary Increases	3.00%	COLA	2.25%
ORP Annual Rate of Return	<b>4.00%</b>	Final Salary	\$50,000
ORP Contribution	13.5%	Average Final Compensation	\$47,171

