

DCP

Virginia Retirement System



Commonwealth of Virginia 457
Deferred Compensation Plan

Your Plan Guide

Jump-start your financial future, today!

Start saving for your future by contributing to the Commonwealth of Virginia 457 Deferred Compensation Plan.

This guide provides an overview of plan features. Find more information on the plan website at dcp.varetire.org/457.

PLAN BENEFITS:

- **Built-in savings discipline** — Your contributions are automatically deducted from your pay, so you don't have to remember to save.¹
- **Tax advantages** — Reduce your current income taxes by making before-tax contributions or build tax-free income with Roth after-tax contributions.²
- **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.



Eligibility

Salaried and wage employees of the Commonwealth of Virginia and participating employers, who have adopted the plan, are eligible to participate.

Enrolling in the Plan³

All employees of the Commonwealth of Virginia and participating employers are eligible to enroll in the plan with a minimum contribution of \$10 per pay period.

State employees who are not in the Hybrid Retirement Plan will be automatically enrolled. If you are a state employee, a \$20 before-tax contribution rate will be deducted from your pay and invested in the Target Date Portfolio⁴ that is the closest to the year you turn age 65. You can change how much you contribute and how your contributions are invested at any time.

If you want to start saving right away, you can enroll immediately through the plan website at dcp.varetire.org/login.

Does your employer participate?

Review the list of employers participating in the Commonwealth of Virginia 457 Deferred Compensation at dcp.varetire.org/publications.

Contributing to the Plan

The minimum contribution amount is \$10 per pay period. You can contribute up to 100% of includible compensation or the maximum IRS annual limit, whichever is less. 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.

The plan offers two ways to make contributions, which provide different tax advantages. You can choose one contribution type or a combination of the two.

- **Before-tax contributions** — You make contributions to your plan account before you pay income taxes, which lowers your taxable income. You pay taxes later when you withdraw these funds.
- **Roth after-tax contributions** — You make Roth contributions by paying taxes now on the money and make tax-free withdrawals later, after meeting certain criteria.²

Depending on your age and proximity to retirement, you may be eligible to make additional contributions to your plan above the IRS contribution limit. Please visit dcp.varetire.org/457 for details on catch-up contribution requirements.

Increasing your contributions automatically

Increasing your contributions on a regular basis may help you reach your savings goals faster. **SmartStep** contribution rate escalator can automatically increase your contributions on a schedule you select. You set the dollar amount and the frequency for the increase. You can change the settings or turn it off as desired.



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 your investments. 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.



Do-It-For-Me Path

- Includes target-date portfolios⁴ 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 build their own portfolio.



Do-It-Myself Path

- Features a self-directed brokerage account⁵ for participants who wish to manage investments without assistance.
- Options include exchange-traded funds, individual securities and other funds.

If you don't select an investment option, your future contributions will automatically be invested in the Target Date Portfolio⁴ 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^{®6}

Voya Learn[™]

myVRS Financial Wellness



Guided

DC Plans Education Specialists⁷

Point-in-time Advice⁹

Financial Snapshot⁸



Managed

Managed Accounts⁹

Holistic Financial Plan⁸

Local Certified Financial Planner[™] CFP^{®8}

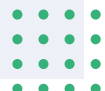
Be Ready Program⁸

Go to dcp.varetire.org/education to learn more about all the available education and support options.

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.



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.

To set up automatic account rebalancing, log in to your DCP Account and select *Manage Investments > Automatic Account Rebalancing*.

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.⁶

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. Designate your beneficiary by logging in to your DCP Account 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), traditional IRA or Federal Employees Thrift Savings Plan, may be rolled into your plan account. Certain after-tax rollovers are permitted into the 457 Plan. However, please note that balances from Roth IRAs cannot be rolled over. For additional information, call the VRS Defined Contribution Plans Service Center at 877-327-5261.

Consolidating multiple retirement accounts may make it easier to manage your savings because your money is 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/457.

- **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 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 services⁹ 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.
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Making a withdrawal¹⁰

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.
- Reach age 70½, even if still employed.
- Rolled funds into your 457 Plan account from another retirement plan.

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 the distribution options available to you can download the *Leaving Employment Guide – COV 457, Cash Match Plan* at dcp.varetire.org/publications.

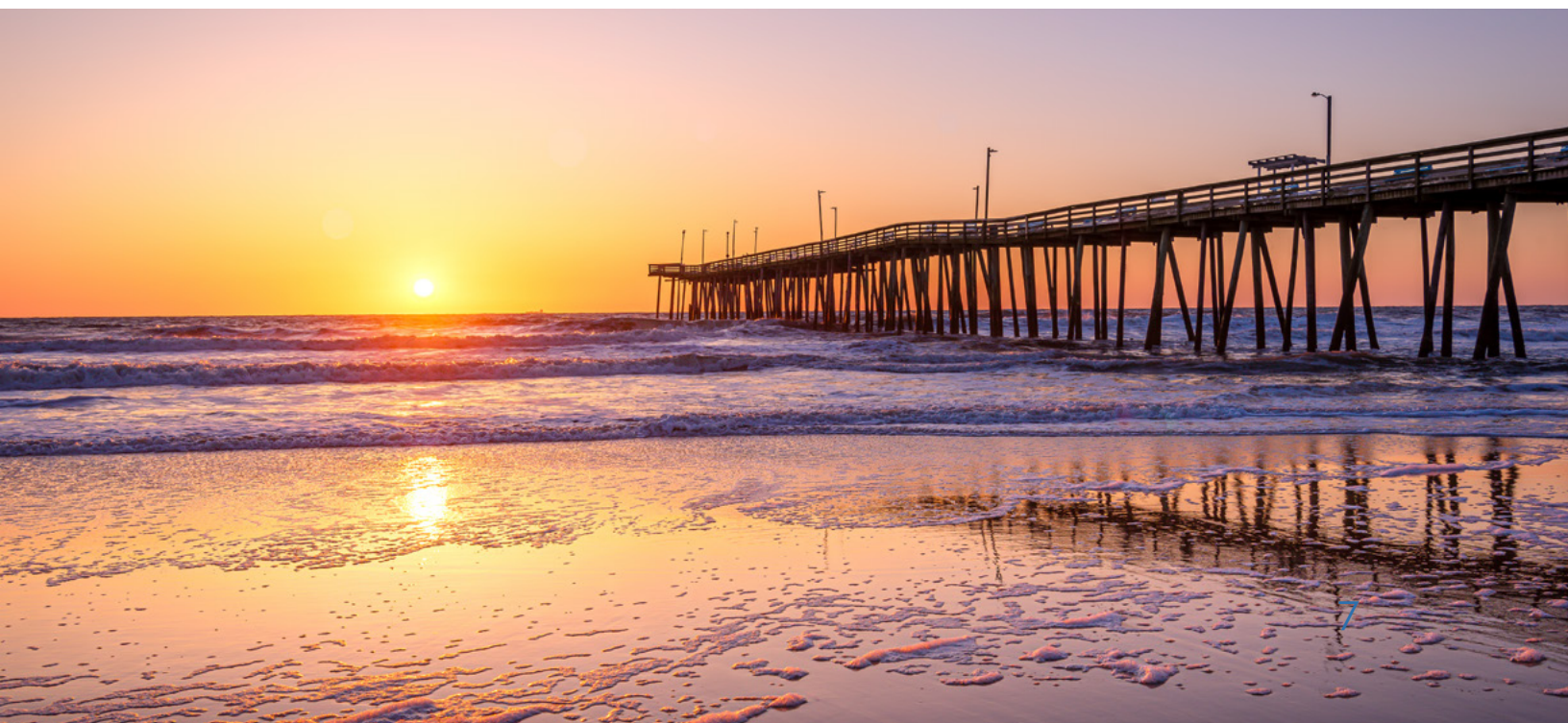
Accessing your account

You can access your plan via:

- **Web:** dcp.varetire.org/457
- **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/457 and select the *How to contribute* drop-down.

²To qualify for tax-free Roth withdrawals, your Roth account must have been open for at least five years and you must be age 59½ or older or disabled.

³If you were automatically enrolled in the plan and elect not to participate, you may still opt out of participation within 90 days of the first contribution being posted to your account. Should you opt out of participation during this time frame, you will automatically receive a refund of your contributions.

⁴Generally 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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⁶**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.

⁷Information 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.

⁸Financial Advisors are Investment Advisor Representatives and registered representatives of and offer securities and investment advisory services through Voya Financial Advisors, Inc. (member SIPC).

⁹**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/457. 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.

¹⁰Distributions are generally subject to federal income tax and state income tax, depending on the state in which you reside at the time of distribution. You may withdraw Roth after-tax assets on a tax-free basis if five years have passed since January 1 of the year you made your first Roth contribution and you are at least 59½ years old, permanently disabled or the assets are being paid to your beneficiaries following your death.

Nothing in this communication should be construed as constituting financial or tax advice. You are encouraged to consult with your personal financial planner and/or tax advisor.

Plan administrative services are provided by Voya Institutional Plan Services, LLC (VIPS). VIPS is a member of the Voya® family of companies.

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