



Focus

On Your Virginia Retirement System Defined Contribution Plans

January 2026

How much can you save in 2026?

Every year, the IRS announces the contribution limits for retirement savings accounts. Certain limits for 2026 have increased, giving you the opportunity to save even more today to help achieve your future goals.

Note: Beginning January 1, 2026 age-based catch-up contributions for certain higher-income participants must be made as Roth after-tax contributions. Specifically, if your FICA wages (box 3 of your W-2) from the previous calendar year exceed \$150,000, (subject to annual cost-of-living adjustments), any age-based catch-up contributions you make must be designated as Roth after-tax contributions.

If you are a VRS Hybrid Retirement Plan member, your voluntary contributions in that plan count toward the annual 457 contribution limits referenced below, including the Commonwealth of Virginia 457 Deferred Compensation Plan or any other 457 plan that may be offered directly by your employer. If you reach the limit before the end of the year, both your contributions and the associated employer match will stop.

Additional resources, including a recorded webinar with detailed examples, are posted to dcp.varetire.org. For assistance, please schedule a meeting with your local DC Plans Education Specialist at dcp.varetire.org/education/dc-plans-specialists.

This rule does not apply to approved contributions under the Standard Catch-up provision, which may continue to be made with pre-tax contributions.

	2026	2025
Elective Deferral Limit (Age 49 and under)	\$24,500	\$23,500
Ages 50-59 or 64+ catch-up	Additional \$8,000 (Maximum \$32,500)	Additional \$7,500
Ages 60-63 catch-up	Additional \$11,250 (Maximum \$35,750)	Additional \$11,250
457 Standard catch-up*	Up to an additional \$24,500 (Maximum of \$49,000)	Up to an additional \$23,500

How much do you want to save this year? Visit dcp.varetire.org/457#irs-contribution-limits for the latest contribution limits for 2026. Consider your options and log in to your account at dcp.varetire.org/login to update your savings rate.

*The standard catch-up applies to employees participating in an eligible governmental 457(b) deferred compensation plan that have elected the standard catch-up available in the three years prior to the year of normal retirement age. If you are eligible for both the age-based catch-up and the special election catch-up under your 457(b) plan, IRS rules do not allow you to use both catch-ups in the same calendar year. IRS rules permit you to use the catch-up that allows you contribute the greater amount.

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Register for a Regional Education Meeting

Your local DC Plans Education Specialists conduct Regional Education Meetings (REM) throughout the year for both the VRS Hybrid Plan and the Commonwealth of Virginia 457 Plan. Each of these meetings consists of the following presentations:

Plan Overview (Hybrid or COV 457) – 45 minutes

Hybrid — What is the VRS Hybrid plan? What is the difference between the defined benefit and defined contribution components? Join us as we review the hybrid plan and discuss the defined contribution component in more detail. We will discuss the mandatory and voluntary contributions as well as the employer match.

COV 457 — What is the COV 457 Deferred Compensation Plan? How about the Cash Match Plan? Are you curious to know how your employer's retirement plans work? Come learn about how these plans help you build your retirement future. This presentation is appropriate for employees who are eligible to participate or are already participating in the Commonwealth of Virginia 457 Deferred Compensation Plan.

Understanding your Investment Options – 1 hour

Do you find investing confusing? Learn about asset classes, diversification and the three investment paths available to you within the VRS Defined Contribution Plans. This topic is appropriate for participants in the Commonwealth of Virginia 457 Deferred Compensation Plan, Virginia Cash Match Plan and/or the Hybrid Retirement Plan.

Preparing for Retirement – 1 hour

Are you changing employers or is retirement on the horizon? During this presentation, we will explore your various distribution options and requirements within the Commonwealth of Virginia 457 and Virginia Cash Match plans. This topic is appropriate for participants in the Commonwealth of Virginia 457 Deferred Compensation Plan and Virginia Cash Match Plan.

If you are interested in attending one or all three of these sessions, go to **dcprem.timetap.com** to register for a virtual meeting or for an in-person meeting at a location near you. These Regional Education Meetings provide you with flexibility to register for specific individual sessions or all three, based on your availability.

Go to **dcp.varetire.org/education/dc-plans-specialists** to view the full schedule of available sessions and to register for an upcoming event.



Steps to reduce or eliminate debt

At some point in your life, you will likely need to take on debt to achieve a personal or financial goal or need, such as attending college or completing renovations on your home. How you manage that debt can have a significant impact on your overall financial wellness.

How would your life change if you were debt-free? Knowing what you owe and making a plan is essential to reducing and eliminating debt. A big part of personal finance is paying off debt, because it continues to gather interest until the money you owe is paid back to the lender.

Pay more than the minimum. Try to reduce interest costs by paying extra on high-interest debts like credit card debt.

Consolidate debt where you can. Transferring credit card balances from high interest to lower interest cards may save money and help you pay debt faster, but there may be transfer fees.

Reduce expenses. Prepare meals and brew coffee at home instead of buying them. This can help you to save hundreds of dollars each month. Compare prices for services such as phone, internet, insurance, cable and streaming platforms. Switching providers or bundling services can reduce monthly bills. Cancel unused subscriptions, such as streaming platforms, gym memberships and other recurring charges. Use price comparison tools and coupons, and research discounts or the best time of year to make major purchases on certain products. For example, televisions during Black Friday and computers during Cyber Monday. Every dollar saved can free up funds to pay down debt more quickly.

Pick a plan and stick to it. The *snowball method* starts with you paying off your smallest debt first. From there, you work your way to paying off your next smallest debt, and so on, until all debts are paid. The *avalanche method* is a way to pay off debt that helps you spend less money on interest overall. You begin by paying the debt with the highest interest rate, and then the next highest interest rate until all debts are paid.

Pay with cash. One way to manage your overall debt is to consider purchasing things with cash. Using cash or a debit card can help you avoid overspending, reducing impulse purchases and eliminate any extra fees that may apply when paying with credit.

Understand the difference between good and bad debt. Good debt generates income, increases your net worth or has future value (such as student loans, which can be seen as an investment in your future). Bad debt does not increase your net worth or provide long-term financial value; it often comes with high interest rates, and the items or services purchased typically depreciate quickly or have no lasting value.

For more tips on how you can prioritize your debt and plan to eliminate it, watch the Voya Learn video on prioritizing debt at voya.com/page/on-demand/spending-and-savings-series-prioritizing-debt.

VRS Defined Contribution Plans

- Commonwealth of Virginia 457 Deferred Compensation Plan
- Virginia Cash Match Plan
- Hybrid Retirement Plan
- Optional Retirement Plan for Higher Education
- Optional Retirement Plan for Political Appointees
- Optional Retirement Plan for School Superintendents
- Virginia Supplemental Retirement Plan



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^{®1}

Voya Learn[®]

myVRS Financial Wellness



Guided

DC Plans Education Specialists²

Point-in-time Advice³

Financial Snapshot⁴



Managed

Managed Accounts³

Holistic Financial Plan⁴

Local Certified Financial Planner[™] CFP^{®4}

Be Ready Program⁴

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

Contact us

Website: dcp.varetire.org

VRS Defined Contribution Plans Service Center: 877-327-5261

Hours: Monday-Friday, 8 a.m. – 9 p.m. ET, except stock market holidays.

Schedule an appointment with a local DC Plans Education Specialist:

dcp.varetire.org/education/dc-plans-specialists

Send a secure message: Log in to your DCP Account dcp.varetire.org/login

¹**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.

²Information 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.

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