



VRS Hybrid 457 Deferred Compensation Plan Employers Guide to Auto-Escalation

On January 1, 2026, the Hybrid Retirement Plan's auto-escalation feature will increase members' contributions by 0.5% to the Hybrid 457 Deferred Compensation Plan. Members' contributions are automatically increased every three years, until their contributions reach a maximum of 4% on a pre-tax basis.

As an employer, you can help by encouraging members not to wait for the automatic increase to take effect and by highlighting the long-term benefits of maximizing contributions. Members contributing the maximum 4% receive the full employer match of 2.5%.

How It Works

Members hired on or before November 1, 2025, and entered into myVRS Navigator by October 28, 2025, will be subject to auto-escalation unless they are making a voluntary contribution of 4% or are already participating in SmartStep for automatic increases.

Opting Out

Members who do not want an automatic increase may opt out between **December 1, 2025 at 9 a.m. and December 31, 2025 at 4 p.m.** **Please note:** This period is shorter than in previous years.

Members can opt out by logging in to their account at dcp.varetire.org/login or by calling **877-327-5261** to speak with a customer service associate. Customer service associates are available on weekdays from 8 a.m. to 9 p.m. ET, excluding stock market holidays.

Contribution Election and SmartStep

Members who change their voluntary contribution election or make a SmartStep election in December 2025 will not be included in the auto-escalation process.

Members with an active SmartStep election on November 28, 2025, will not be included in the auto-escalation process.



dcpemployers.varetire.org



844-570-1482



DCPERSupport@voya.com

Communications

Additional information and member communications will be available at dcp.varetire.org. Affected Hybrid 457 Deferred Compensation Plan members will also be notified through targeted mailings and emails. Confirmations will be sent to those who make an election and those who are auto-escalated.

Key Dates

October 28, 2025

Deadline for members to be entered into myVRS (hired on or before November 1, 2025) and be included in this auto-escalation period.

December 1 – 31, 2025

Members are invited to actively elect auto-escalation in SmartStep, make their contribution election or opt out.

December 31, 2025, at 4 p.m. ET

Members who do not take action or accept auto-escalation will experience a 0.5% increase starting with the first payroll in January 2026.

January 2026

1. Download the Deferral Change Report and implement the deduction changes in your payroll system before the first payroll in January 2026.
2. Remit contributions following your regular payroll schedule.
3. If you are currently entering elections manually and would like to move to a batch system, please review the [Voya Paycloud Manual](#) located at dcpemployers.varetire.org/training.



Next Steps

Tracking Activities

After the opt-out period, you will continue to follow the usual process for deferral changes. You do not need to track deferral changes, opt-outs or calculate the increase. Voya will handle eligibility monitoring, including opt-outs and January SmartStep increases.

Payroll Deferral Changes

The Deferral Change Report will list any members who have been automatically escalated. State agencies utilizing the state's centralized payroll system will adhere to their usual procedures. All employers must execute deferral changes before the first payroll in January.

Additional Information

Ensure the employer match is updated in your payroll system and that the amounts are correctly allocated:

- Employer match: 626621
- Employee pre-tax: 626622

Employer support

For additional resources, videos and guides, visit dcpemployers.varetire.org.

If you still have questions, contact the VRS Employer Support Team Monday-Friday, 8:30 a.m.-5 p.m. ET at 844-570-1482 or send an email to DCPERSupport@voya.com



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