

KEEP YOUR SAVINGS ROLLING WITH AUTO-ESCALATION



On January 1, 2023, the Hybrid Retirement Plan's auto-escalation feature will boost your retirement savings. Automatic increases and matching employer contributions help keep your savings rolling.

What is auto-escalation?

This plan feature helps you save more for retirement by automatically increasing the amount you contribute from each paycheck to your retirement savings.

Who is affected?

Members reported by their employer to VRS prior to September 9, 2022, with a hire date on or before September 1, and who are not already contributing 4% voluntary contributions.

How much will my contributions increase?

Your voluntary contributions will increase by 0.5%, even if you're not currently making contributions to the Hybrid 457 plan. That amount will increase by 0.5% every three years until you reach the maximum 4%.

You may also contribute more now to reach the maximum employer match sooner!

Or, you can boost your contributions with SmartStep.

You can take action anytime to maximize your voluntary contributions with SmartStep. SmartStep is a feature that allows you to set up annual increases to your voluntary contribution in an amount and month you choose. If you use SmartStep, you will be excluded from auto-escalation if you meet one of the following:

- You choose January for your SmartStep increase month prior to September 16, 2022, or
- You make a SmartStep election or change between September 16 and December 15, 2022.

Otherwise auto-escalation will occur effective January 1, 2023, and your SmartStep will occur in the month you select.

Why is it beneficial?

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

- **The more you save through voluntary contributions, the more you receive in matching employer contributions.** When you contribute 4%, your employer contributes 2.5%!
- **It's easy — no action required!** You only need to take action if you choose to opt out of saving more for your future.

Members can opt out of auto-escalation from September 16 through December 15, 2022, before the 4 p.m. ET deadline. Log in to Account Access at varetire.org/hybrid or call Participant Services at VRS-DC-PLAN1 (877-327-5261), select option 1.

