

Dear Participant:

Re: Standard Catch-Up Provision under the Commonwealth of Virginia 457 Deferred Compensation Plan

Thank you for requesting information regarding the Standard Catch-Up provision for the Commonwealth of Virginia 457 Deferred Compensation Plan. This package contains instructions for using the Standard Catch-Up, as well as the necessary forms. The forms required to use this catch-up are the Standard Catch-Up Credit Worksheet, the Normal Retirement Age Election Form and the Payroll Authorization Form.

Availability

- The Standard Catch-Up provision is available only during the three (3) consecutive calendar years prior to the calendar year in which you reach your designated Normal Retirement Age. The Normal Retirement Age you select can be no earlier than the age at which you are first eligible for an unreduced retirement benefit. The age of first eligibility for an unreduced benefit varies depending upon the retirement plan by which you are covered:

Virginia Retirement System (VRS)	Ages 50 to 64 with 30 or more years of service* or Ages 65-70 ½ with 5 or more years of service
Judicial Retirement System (JRS)	Ages 60-64 with 30 or more years of weighted service or Ages 65-70 ½ with 5 or more years of weighted service*
State Police Officer's Retirement System (SPORS); Virginia Law Officer's Retirement System (VaLORS)	Ages 50-59 with 25 or more years of service or 60-70 ½ with 5 or more years of service*

* For defined benefit plans, service means the creditable service used to calculate your benefit

Optional Retirement Plan for Political Appointees (ORPPA); Optional Retirement Plan for School Superintendents (ORPSS); Optional Retirement Plan for Higher Education (ORPHE)	Age 65 or Age 55 with at least 5 years of service or Age 50 with at least 10 years of service
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For defined contribution plans, service means the continuous, salaried service with the employer offering the Plan.

- You may contribute up to the Catch-Up amount for which you qualify in one or more of the three (3) consecutive calendar years prior to the calendar year in which you reach your designated Normal Retirement Age. **You may not use the Standard Catch-Up in the year you have designated as your Normal Retirement Age.** The Catch-Up limit varies depending on your level of participation in pre-tax salary reduction programs in prior years, and may not exceed the following limits: \$31,000 in 2008 and \$33,000 in 2009. Visit www.varetire.org for future changes.
- You may use the Standard Catch-Up provision in the year you actually retire, if retirement occurs in one of the three calendar years immediately preceding the normal retirement age you have designated using the Normal Retirement Age Election Form.
- Wage employees may use the Standard Catch-Up; Normal Retirement Age may be ages 62 through 70 ½.
- You may not use the Age 50+ Catch-Up provision in the years you use the Standard Catch-Up.

Please complete and return these forms to your Agency's payroll office. Send copies of all three forms to the Deferred Compensation Plans Service Center, 1108 East Main Street, Suite 1102, Richmond, VA 23219.

Sincerely,

Virginia Retirement System—Defined Contribution Plans

For assistance in completing the forms contact the Plan's registered representatives toll free at 1-866-226-6682

Commonwealth of Virginia 457 Deferred Compensation Plan

Standard Catch-Up Election Instructions

Please complete and return the three forms included in this package: Catch-Up Credit Worksheet; Normal Retirement Age Election Form; and Payroll Authorization Form. A Plan Registered Representative can assist you in completing the forms. Please call toll free at (866) 226-6682. The originals of the three forms are to be given to your agency payroll office and copies sent to the Virginia Retirement System, Defined Contribution Plans, P.O. Box 2500, Richmond, VA 23218-2500.

General Rules

1. The age 50+ Catch-Up is not available in the year or years you use the Standard Catch-Up.
2. The Standard Catch-Up cannot be used in the year you reach age 70 ½ or later.
3. **You may not use the Standard Catch-Up in the year you designate as your Normal Retirement Age.**
4. The Standard Catch-Up can be used for a maximum of three (3) years immediately preceding the year you reach the Normal Retirement Age that you have selected. You cannot use it in the year you reach the Normal Retirement Age you have designated in the Normal Retirement Age Election Form.
5. You may use it in the year you actually retire if retirement occurs in one of the three (3) calendar years immediately preceding your designated Normal Retirement Age.
6. You do not have to leave service when you reach your designated Normal Retirement Age and may contribute up to the regular contribution limit that applies to you, including the age 50+ Catch-Up contributions, during the years you remain in service. .
7. Wage employees may use the Standard Catch-Up; Normal Retirement Age may be ages 62 through 70 1/2.

The amount of your Catch-Up contribution will be the *lesser of*:

- (A) The IRS maximum Standard Catch-Up contribution limit for the applicable year; or
- (B) The sum of the regular annual limit for the applicable year and your total Catch-Up Credit as determined on the enclosed Worksheet.

(The IRS maximum Catch-Up contribution limits are: \$24,000 for 2003; \$26,000 for 2004; \$28,000 for 2005; \$30,000 for 2006; \$31,000 for 2007, \$31,000 for 2008, and \$33,000 for 2009. Visit the VRS web site at www.varetire.org for future changes.)

Example 1: You elect to use the Standard Catch-Up beginning in 2008. The regular contribution limit is \$15,500 for 2008 and your total Catch-Up Credit is \$22,000.

The sum, \$37,500 is greater than \$31,000, so your total contribution for 2008 is limited to \$31,000. You may carry forward the remaining \$6,500 to the next year.

Example 2: Same facts as above except that your total Catch-Up Credit is \$8,000. The Catch-Up Credit of \$8,000 plus the annual limit of \$15,500 permits you to contribute a total of \$23,500 in 2008

Example 3: You are over age 50 and wish to use the Standard Catch-Up in 2008. Your Catch-Up Credit is \$4,000. Your credit of \$4,000 when added to the regular 2008 limit of \$15,500 equals \$19,500. This is less than the \$20,500 limit that applies to you because you are age 50 or over. Therefore, you would use the age 50+ limit rather than the Standard Catch-Up because it will allow you to defer more income to the Plan.

Catch-Up Credit Worksheet

This worksheet will be used to calculate your total Catch-Up Credit. For all years ending before 2002, contributions you made to another pre-tax salary deferral plan, including a 403(b) account, another 457 Plan, a 402(h)(1)(B) simplified employee pension (SARSEP), section 408(p) simple retirement account and a 401(k) plan, during the years you also were eligible to participate in this 457 Plan are included to calculate your Catch-Up Credit. For example, if in 1999 you contributed \$2,000 to a 403(b) account and \$1,000 to this 457 Plan and the contribution limit under the 457 Plan for that year was \$8,000, your credit for that year is \$5,000. Had you contributed nothing to this 457 Plan in 1999 and \$9,000 to a 403(b) account your Catch-Up Credit for 1999 would be \$0. However, the excess of \$1,000 is dropped and does not reduce the Catch-Up Credit for the following year. This coordination of plans rule was repealed beginning in 2002 so you will not need to provide information about contributions you made to another plan for years 2002 and later.

To complete this form, you will need the following information:

- All of the years in which you were eligible to participate in the Commonwealth of Virginia Deferred Compensation Plan (“this Plan”) and in which you did not contribute at all or did not contribute the maximum allowable amount. **The Commonwealth’s Plan became operational July 1, 1980.** State employees must use the later of 1980 or their hire date to begin the Catch-Up calculation. Employees of political subdivisions must use the later of their hire date or the date the employer began participation in this Plan.
- Your gross income for each of those years from the employer who sponsored this Plan. Do not include income you may have received from other employers.
- The amount, if any, you contributed for each of those years on a pre-tax basis to a plan other than a retirement plan (e.g., premium conversion, flexible reimbursement account, pre-tax parking, pre-tax service credit purchase). Your last pay stub for each calendar year will show these amounts. For years 2002 and later you will only need to provide the amount of any pre-tax purchase of VRS defined benefit plan service credit.
- The years between 1980 and 2001, if any, in which you were eligible to participate in this Plan and any other pre-tax salary reduction retirement plan [such as a 403(b) plan, a SARSEP, a 408(p) simple retirement account, a 457 plan sponsored by another employer or a 401(k) plan] and the amount you contributed on a pre-tax basis to the plan(s) each year.

- The exact amount of the contribution you made to this Plan each year. Refer to your federal income tax filing or your December 31 pay stub for each year.
- The maximum amount you were entitled to contribute to this Plan for each year. These amounts are determined by referring to the Annual Contribution Limit Table provided on the Worksheet.

Normal Retirement Age Election Form

1. The sole purpose of making a Normal Retirement Age election is to set the three-year time frame during which you may contribute the Standard Catch-Up limit that applies to you.
 2. The Normal Retirement Age election can only be made once and cannot be revoked after you have made a Catch-Up contribution that exceeds the regular contribution limit or the age 50+ limit, if you are age 50 or older.
 3. The Normal Retirement Age cannot be earlier than the age you are eligible to retire with unreduced pension benefits under the terms of the retirement plan by which you are covered.
- For VRS members, Normal Retirement Age is either (1) the range of ages from 50 to 64 with thirty (30) or more years of creditable service, or (2) the range of ages from 65-70 ½ with five (5) or more years of creditable service.
 - For VRS members who qualify for the benefits of Code of Virginia Sect. 51.1-155.1 the Normal Retirement Age, in addition to that listed in the bullet immediately above, may also be the range of ages from 50 to 64 with twenty (20) or more years of creditable service.
 - For members of the Judicial Retirement System, Normal Retirement Age is either (1) the range of ages from 60 to 64 with thirty (30) or more years of creditable service, or (2) the range of ages from 65 to 70 ½ with five (5) or more years of creditable service.
 - For members of the State Police Officers Retirement System and the Virginia Law Officers Retirement System, Normal Retirement Age is either (1) the range of ages 50-59 with twenty-five (25) or more years of creditable service, or (2) the range of ages from 60 to 70 ½ with five (5) or more years of creditable service.
 - For members of an Optional Retirement Plan, Normal Retirement Age is age 65; designated normal retirement age may also be when the participant is at least age 55 with 5 years of creditable service or age 50 with 10 years of service.
 - For those covered by a defined benefit plan, creditable service is generally that amount used to determine your retirement benefit. For participants in an Optional Retirement Plan, service is the consecutive years of employment with the employer providing the Plan.

Payroll Authorization Form

1. The Payroll Authorization Form directing your employer to change your 457 Plan contributions to include the Catch-Up amount must be submitted to your agency's payroll office in the month prior to the payroll date on which you wish the change to be effective. Your payroll office can advise you of the amount of lead-time required for the change to be made.
2. Check Standard Catch-Up in the Action Requested section of the Form.
3. In the Payroll Information section of the Form indicate the total amount you wish withheld each pay date, including your Catch-Up amount on the line labeled "New Contribution per Pay".
4. Originals of all three of the completed forms must be given to your agency's payroll office and copies sent to
Virginia Retirement System
Defined Contribution Plans
P.O. Box 2500
Richmond, VA 23218-2500

Commonwealth of Virginia Deferred Compensation Plan

Standard Catch-Up Credit Worksheet

Personal Information (please print)

Name: _____ SSN: _____
Date of Birth: _____ Agency/Location: _____
Normal Retirement Age Election: _____ Years of Service at Normal Retirement Age: _____

Worksheet Instructions: A Plan Registered Representative can assist you in completing this worksheet. Please call toll free at (866) 226-6682. If additional space is needed, please use a second form.

- Column 1. List all the years during which you were eligible to participate in the Plan and did not contribute or did not contribute the maximum allowable amount.

- Column 2. List your gross income (before taxes) for each of those years from the employer who provides this Plan. Do not include income from an employer that did not offer this Plan as a benefit.

- Column 3. For each year prior to 2002, list contributions you made for benefits on a pre-tax basis, such as premium conversion, flexible reimbursement accounts, pre-tax parking, and payments made to purchase service credit. For 2002 and later subtract only pre-tax purchase of VRS defined benefit plan service credit.

- Column 4. Subtract the number in Column 3 from the number in Column 2. This is your adjusted income.

- Column 5. Compute your maximum contribution limit for each year. The limit will depend on the amount of your adjusted income for that year. A Contribution Table is provided to help you compute your limit. Multiply your adjusted income by the applicable percentage to determine if your limit was lower than the IRS annual maximum limit.

- Column 6. List the contribution you made to this Plan each year. If your contribution was zero, please insert “-0-.” Do not include any age 50+ Catch-Up contributions made.

- Column 7. For each year before 2002, list any contributions you made to a pre-tax salary reduction tax-qualified retirement plan, such as a 403(b) plan, a 401(k) plan, a 402(h)(1)(B), a 408(p) simple retirement account, or another 457 plan. Include contributions made to plans sponsored by any employer. Do not include any data in this column for 2002 or later years.

- Column 8. Add the amounts in Column 6 and 7 for each year.

- Column 9. Subtract the number in Column 8 from the number in Column 5. This is your credit for the applicable year. Add all of the dollar amounts in this Column to calculate the amount of your total Standard Catch-Up credit. This amount should not be less than zero, i.e. do not enter a negative amount.

Commonwealth of Virginia Deferred Compensation Plan Normal Retirement Age Election Form

Normal Retirement Age is defined as: For members of the Virginia Retirement System, Normal Retirement Age is defined as the range of ages from 50-64 with 30 or more years of creditable service; or the range of ages from 65-70½ with five (5) or more years of creditable service. For members of the Judicial Retirement System, Normal Retirement Age is defined as the range of ages from 60-64 with 30 or more years of weighted creditable service; or the range of ages from 65-70½ with five (5) or more years of weighted creditable service. For members of the State Police Officers Retirement System and the Virginia Law Officers Retirement System, Normal Retirement Age is defined as the range of ages from 50-59 with 25 or more years of creditable service; or the range of ages from 60-70½ with five (5) or more years of creditable service. Creditable services is the service used to calculate your retirement benefit. For members of the Optional Retirement Plans, Normal Retirement Age is age 65; designated Normal Retirement Age may also be when the participant is at least age 55 with 5 years of service or age 50 with 10 years of service. Service is defined as consecutive years of salaried employment with the employer providing the Plan.

A Plan Registered Representative can assist you in completing this form. Please call toll free at 1-866-226-6682.

I understand the following provisions of the Commonwealth of Virginia Deferred Compensation Plan:

1. By making this Normal Retirement Age election, I am setting the time frame during which I may use the Normal Retirement Age.
2. I cannot use the Normal Retirement Age in the calendar year in which I reach the Normal Retirement Age I elect.
3. I may use the Normal Retirement Age in the year I retire, if my retirement occurs in one of the three (3) calendar years immediately prior to the year in which I reach the Normal Retirement Age I have designated here.
4. If I continue to work during the calendar year in which I reach my Normal Retirement Age and beyond, I understand that I may continue to contribute up to the regular contribution limit, including the age 50+ Catch-Up contribution, during the years I remain in service.
5. The Normal Retirement Age I have elected cannot be earlier than the age at which I am eligible to immediately retire with unreduced retirement benefits based on provisions of my retirement plan.
6. I realize that this election can only be made once and that this election is irrevocable once I make any contribution greater than the normal deferral limit.

I hereby elect age _____ as my Normal Retirement Age under the Commonwealth's Deferred Compensation Plan. I will attain this age in _____ (year). I will have _____ years of service with my employer on the date of my Normal Retirement Age.

**The total pre-retirement Catch-Up credit for which I am eligible is \$ _____.
(This is the total of Column 9 on the Catch-Up Credit Worksheet)**

I am currently purchasing prior service credit on a pre-tax basis? Yes _____ No _____.

If yes, \$ _____ per year

Social Security Number _____

Date of Birth: _____

Print Name: _____

Telephone: _____

Signed: _____

Date: _____

Participant

Signed: _____

Telephone: _____

Agency Representatives Signature

Job Title

Agency Name & Number



Virginia
Retirement
System

Commonwealth of Virginia Deferred Compensation Plan Payroll Authorization Form Instructions

Action Requested:

Check the box which describes the action you are authorizing your agency payroll office to take relative to your contributions to the Commonwealth's 457 Deferred Compensation Plan.

If you selected the Standard Catch-Up, you must also complete a "Standard Catch-Up Credit Worksheet" and a "Normal Retirement Age Election Form." You may obtain these forms from the VRS Web site at www.varetire.org or from your registered representative. You may contact your registered representative at toll free **1-866-226-6682**.

If you selected the Uniformed Services Leave Make-up option, a copy of the Payroll Authorization Form signed by you must be sent along with the Application for Uniformed Service Make-up, a copy of your military orders, date of call-up, and discharge papers to

Virginia Retirement System
Defined Contribution Plans
P.O. Box 2500
Richmond, VA 23218-2500

General Information:

Provide complete information as requested.

Payroll Information:

- **Effective Pay Date** is the date on which the change you requested will be reflected in your pay. Your employer may have requirements for how far ahead of the pay date this form must be submitted.
- **Agency Name/Employer** is the name of the employer with whom you qualify to participate in the Commonwealth's 457 Plan.
- **Agency Code** - your agency's payroll office can give you this information.
- **Work Location** is where you normally report to work.
- **Current Contribution per Pay** is the amount of your 457 Plan deferral prior to the change you are requesting.
- **New Contribution per Pay** is the amount of deferral you are requesting each pay period beginning on the effective date. If you checked "Employment Termination Payout", this is the one-time amount that you wish taken from your payout of unused sick or annual leave or other types of termination pay.

Agency Transfer:

To - Provide the name and agency code of your new employer.

From - Provide the name and agency code of the employer from which you are transferring.

Uniformed Services Leave Make-up:

Guidelines and Application are found at www.varetire.org or can be obtained from a registered representative at toll free **1-866-226-6682**.

Indicate the amount of **New** Contribution per pay that is make-up contributions. Indicate the calendar year in which the leave occurred. Indicate the date that eligibility for the make-up ends (refer to line B.5 on the Application for Uniformed Services Make-up).

Please sign and date this form and return it to your agency's Payroll Office along with your Normal Retirement Age election form and your Standard Catch-Up Credit Worksheet.

**Commonwealth of Virginia Deferred Compensation Plan
Payroll Authorization Form**

Action Requested:

<input type="checkbox"/> Increase	<input type="checkbox"/> Reinstatement	<input type="checkbox"/> Agency Transfer
<input type="checkbox"/> Decrease	<input type="checkbox"/> Suspend	<input type="checkbox"/> Age 50+ Catch Up
<input type="checkbox"/> Employment Termination Payout (includes sick and annual leave payouts)	<input type="checkbox"/> Uniformed Services Leave Make-Up (must be supported by Application)	<input type="checkbox"/> Standard Catch-Up (Normal Retirement Age Election Form & Standard Catch-Up Credit Worksheet also required)

General Information:

Name: Last _____ First _____ Middle _____ Employee Number _____

Home Address: Number & Street _____

City _____ State _____ Zip Code _____
() _____

Social Security Number _____ Date of Birth _____ Work Phone _____

Payroll Information:

Effective Pay Date _____ Agency Name/Employer _____ Agency Code _____

Work Location _____

\$ _____

Current Contribution per Pay Period _____ New Contribution per Pay Period _____ Annual Salary _____

Agency Transfer: GIVE THIS SIGNED FORM TO YOUR NEW AGENCY

_____ To _____ From _____

Uniformed Services Leave Make-up:

* New Contributions per Pay includes \$ _____ per pay that is make-up contributions for calendar year _____. Eligibility to make up this leave ends on _____.**

** See item 5 on Application for Uniformed Service Leave Make-up.

Signature:

Participant Signature _____ Date _____

**Please give this form to your agency's Payroll Office. Mail a copy to:
Virginia Retirement System
Defined Contribution Plans
P.O. Box 2500
Richmond, VA 23218-2500**