



VOLSAP

for those who serve Virginia

**Volunteer Firefighters' and Rescue Squad Workers'
Service Award Program**

What Is VOLSAP?

- VOLSAP is a service award program established to provide a financial incentive and monetary award to **eligible volunteer firefighters and rescue squad workers** who participate in the program.
- The program allows eligible volunteers to **contribute money that is then invested** alongside the more than \$100 billion VRS pension trust fund in a widely diversified portfolio.
- Localities and local departments or squads may, but are not required to, make additional contributions.
- The Commonwealth of Virginia may also make contributions, although no funding has been provided to date.

Membership Eligibility



- Must be a member of a *bona fide* volunteer rescue squad or fire department.
- Requires active engagement in the performance of firefighting and prevention services or emergency medical and ambulance services.
- Includes those who participate in fire and rescue calls and other essential personnel:
 - Dispatchers
 - Volunteers who perform maintenance and upkeep of vehicles and supplies
 - Treasurers/secretaries

Membership Eligibility

- Local departments and squads may impose additional eligibility requirements.
- See your local department or squad for eligibility.

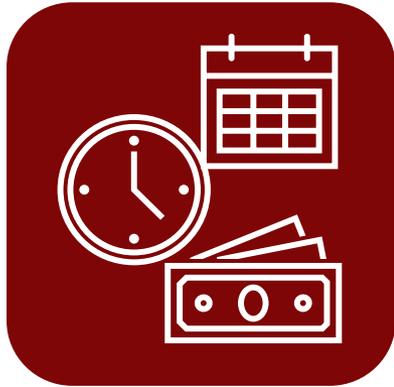


Membership Enrollment



- Submit a VOLSAP-1 Form – Application for Membership.
- Requires basic personal information.
- A local department or squad representative must certify your membership with the department.
- Review the application carefully and consider any purchase of prior service.
- A participant may only maintain one VOLSAP membership, even if they volunteer for two separate departments or squads.

Purchase of Prior Service



- A full distribution requires 10 years of volunteer service credit.
- You may be eligible to purchase service credit if you have previous volunteer service prior to joining VOLSAP.
- One year of service credit costs \$120. These funds are deposited into your VOLSAP account.
- You may purchase up to 10 years of service credit, but at a rate of one year for every two years of prior service.

Purchase of Prior Service

Example:

Susan **did not volunteer** prior to joining VOLSAP. She may not purchase any service credit.

Example:

Claire **volunteered for 14 years** prior to joining VOLSAP. She may purchase seven years of service credit at a cost of \$840.

Example:

Ted **volunteered for 23 years** prior to joining VOLSAP. He may purchase the maximum 10 years of service credit at a cost of \$1,200.

To purchase prior service, submit a VOLSAP-3 Form –
Application to Purchase Prior Service

Participation



- Submit a quarterly \$30, \$60 or \$90 payment to your local department or squad.
 - Additional contributions from departments, squads, or localities, if any, will be automatically applied to your account.
- Receive an annual statement of your account reflecting investment performance.
- Continue earning service credit for every month of qualifying volunteer service for which required payments are made.

Account Administration

- For purposes of administering VOLSAP, contributions are credited to different accounts depending on the source of the contribution.
 - Contributions made by a participant are credited to the Member Account.
 - Contributions made by a department, squad, or locality are credited to the Department Account.
 - Contributions made by the commonwealth are credited to the General Fund Account. (To date, no funding has been provided for contributions by the commonwealth.)
- Investment gains and losses are allocated in proportion across all accounts (Member, Department, and General Fund) associated with a participant.

Investment of Your Contributions



- The Virginia Retirement System (VRS) invests your contributions, and the third-party administrator, USI, maintains a separate accounting for each participant.
- VOLSAP contributions are invested solely at the direction of the VRS Board of Trustees.
- Investment performance is published quarterly and can be located at varetire.org/investments.

Example of Quarterly Investment Performance Report

Note: Your actual returns may differ due to various considerations, including the timing of contributions and distributions.

TOTAL FUND PERFORMANCE

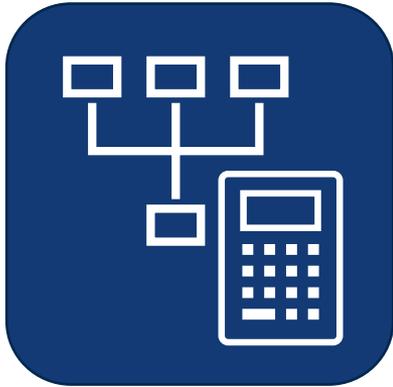
(Expressed in Percentages, Net of Fees)

	10 Yr.	5 Yr.	3 Yr.	1 Yr.	Qtr.	Month	Fiscal YTD	Cal YTD
Total Public Equity	8.5	10.6	5.8	20.1	1.5	0.8	20.1	11.3
Benchmark ¹	8.5	10.6	4.9	18.0	2.0	1.7	18.0	9.7
Total Private Equity	14.3	15.8	10.2	5.8	1.1	1.1	5.8	3.8
Benchmark ²	11.5	12.3	7.1	24.3	8.5	3.4	24.3	21.2
Total Real Assets	8.2	6.1	6.2	-3.2	-0.5	-0.5	-3.2	-2.5
Benchmark ³	6.1	3.8	3.4	-5.8	-0.8	-0.2	-5.8	-3.8
Total Credit Strategies	6.1	7.3	6.2	11.7	2.3	1.8	11.7	5.1
Benchmark ⁴	4.8	5.0	4.2	10.8	1.6	0.7	10.8	3.5
Total Diversifying Strategies	n/a	5.6	4.0	9.7	0.5	-0.8	9.7	5.5
Benchmark ⁵	n/a	5.4	2.5	9.1	1.9	0.6	9.1	3.9
Total Private Investment Partnerships	n/a	9.6	8.9	8.2	2.1	2.1	8.2	4.4
Benchmark ⁶	n/a	7.6	5.5	8.7	2.8	1.2	8.7	6.2
Total Fixed Income	2.2	1.1	-2.3	3.8	0.4	1.1	3.8	0.0
Benchmark ⁷	1.5	0.0	-2.8	3.3	0.1	0.9	3.3	-0.4
Total Fund	7.6	8.7	5.5	9.9	1.0	0.8	9.9	5.0
VRS Custom Benchmark ⁸	6.8	7.2	3.9	11.6	2.3	1.3	11.6	6.6

Notes:

- Effective January 2024, the Public Equity Custom Benchmark is a weighted average of the MSCI ACWI IMI Index (net VRS taxes) (85%) and the MSCI World Min Vol Index (net VRS taxes) (15%).
- Effective January 2024, the Private Equity Custom Benchmark is the regional benchmarks of the MSCI ACWI IMI Index (net VRS taxes) lagged by three months, weighted to reflect the Private Equity opportunity set (currently 75% North America, 20% Europe, and 5% Asia and Emerging Markets).
- Effective January 2023, the Real Assets Custom Benchmark is the market value weighted blend of the NCREIF Private Real Estate Benchmark (ODCE Index (net) lagged by three months) and the Other Real Assets Custom Benchmark (the CPI-U Index plus 400 basis points per annum lagged by three months).
- Effective July 2023, the Credit Strategies Custom Benchmark is a blend of the Morningstar LSTA Performing Loan Index (50%) and the Bloomberg US High Yield Ba/B 2% Issuer Cap Index (50%).
- Effective January 2024, the Diversifying Strategies Custom Benchmark is the ICE BofA US 3-Month Treasury Bill Index plus 250 basis points per annum.
- Effective January 2024, the Private Investment Partnerships (PIP) Custom Benchmark is the weighted average of the Private Equity Custom Benchmark (33%), the NCREIF Private Real Estate Benchmark (25%), the Other Real Assets Custom Benchmark (8%), the Bloomberg US High Yield Ba/B 2% Issuer Cap Index (17%), and the Morningstar LSTA Performing Loan Index (17%).
- Effective July 2020, the Fixed Income Custom Benchmark is a blend of the Bloomberg US Aggregate Bond Index (90%), Bloomberg US High Yield Ba/B 2% Issuer Cap Index (5%), and JP Morgan EMBI Global Core Index (5%).
- The VRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.

Investment Accounting



Each participant's account contains a record of contributions from three separate sources:

- Participant contributions.
- Additional contributions made by the department, squad, or locality, if any.
- Additional contributions made by the commonwealth. *Note: To date, no funding has been provided for additional contributions by the commonwealth.*

Distribution of Account Balances

- An **unreduced distribution** becomes available upon:
 - Reaching age 60 *and*
 - Having at least 10 years of service credit
- A **partial distribution** becomes available upon:
 - Reaching age 60 *and*
 - Having 5 years of service credit
- **Prior to being eligible for a distribution:**
 - A participant is only entitled to receive their contributions, less any investment losses and a \$25 administrative fee.
 - A participant irrevocably forfeits all additional contributions and associated investment gains/losses by withdrawing funds prior to meeting minimum age/service requirements.



Unreduced Distribution



- Lump sum includes:
 - All participant contributions and associated investment gains/losses.
 - All additional contributions made on behalf of the participant by the department, squad, or locality, and associated investment gains/losses.
 - All additional contributions made on behalf of the participant by the commonwealth, and associated investment gains/losses.
Note: To date, no funding has been provided for additional contributions by the commonwealth.

Unreduced Distribution Example: Susan



Example: Unreduced Distribution

Susan applied for a distribution on her 65th birthday with 10 years of volunteer service credit. Therefore, she is entitled to an **unreduced distribution**.

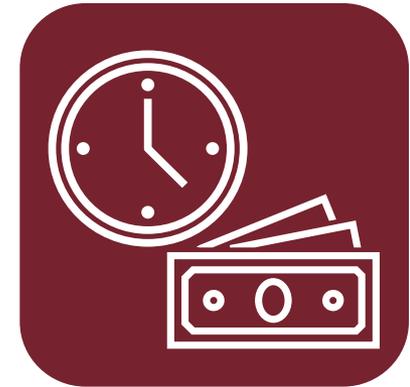
Her lump-sum distribution will include:

- Her contributions.
- All contributions made on her behalf by her department, squad, or locality, if any.
- All contributions made on her behalf by the commonwealth, if any.
- All associated investment gains or losses.

Partial Distribution

Partial distributions occur after age 60 and when you have fewer than 10 years of service. A partial distribution is made up of:

- All participant contributions and associated investment gains/losses.
- All contributions made on behalf of the participant by the department, squad, or locality, and associated investment gains/losses.
- **Partial** contributions made on behalf of the participant by the commonwealth, if any, and **partial** investment gains/losses.



Partial Distribution

The percentage of state contributions and associated investment gains/losses that a participant receives is based on years of service credit:

- 5%: At least five years, but less than six.
- 10%: At least six years, but less than seven.
- 25%: At least seven years, but less than eight.
- 45%: At least eight years, but less than nine.
- 70%: At least nine years, but less than 10.

Note: To date, no funding has been provided for additional contributions by the commonwealth.

Partial
Distribution
Example:
Ted



Example: Partial Distribution

Ted applied for a distribution on his 60th birthday with nine years of service credit. Therefore, he is entitled to a **partial distribution**.

His lump-sum distribution will include:

- His contributions and associated investment gains or losses.
- All contributions made on his behalf by his department, squad, or locality and associated investment gains or losses.
- 70% of contributions made by the commonwealth and any investment gains or losses applicable to the commonwealth's contributions made on his behalf. *Note: To date, no funding has been provided for additional contributions by the commonwealth.*

Distributions in the Event of Default or Dissolution

- Accounts may also be distributed in the event of:
 - A participant's default (i.e., the failure to submit contributions for six months)
 - The dissolution of the department or squad
- Distributions made on account of default or dissolution will be made by December 31 following the Plan Year in which the default or dissolution occurred
 - A participant entitled to a full or partial distribution will receive that amount
 - A participant not entitled to a full or partial distribution shall receive the funds in the Member Account, including any investment gains/losses
- Funds that remain unclaimed more than five years after default may be transferred to the Virginia Unclaimed Property Program



Frequently Asked Questions (FAQs)

FAQs: Participation and Costs

Who do I contact to join?

If interested in participating in VOLSAP, please contact your local volunteer department or squad for further information. You can also contact USI, the VOLSAP third-party administrator, at volsap@usi.com.

What are the costs to participate?

A participant does not incur any individual charges to participate in VOLSAP other than the quarterly \$30, \$60 or \$90 contribution. However, if a participant ceases to participate in VOLSAP for any reason (i.e., receives a distribution, defaults on payments, etc.), then a one-time fee of \$25 is required to reactivate their participation. Fees associated with the investment services provided are charged to the VOLSAP Fund as a whole and treated as a cost of administering the fund.

FAQs: Contributions

How much can I contribute each quarter?

A participant may contribute either \$30, \$60 or \$90 per quarter.

How much money is contributed on my behalf by the department, squad or locality, and the commonwealth?

Additional contributions are not mandatory and are dependent upon funding. A department, squad, or locality, or the General Assembly may appropriate funds to make additional contributions for participants.

Can I skip a quarterly contribution?

No. Quarterly contributions are mandatory. The current contribution amount is either \$30, \$60 or \$90. If a participant becomes six months' delinquent in submitting quarterly payments, then they will lose eligibility and can only be reinstated through written request to the VOLSAP Board.

FAQs: Multiple Squad Positions

I am a member of multiple volunteer departments or squads. Can a supplemental contribution be made on my behalf by more than one volunteer department, squad or locality?

No. According to the *Code of Virginia*: “In the event an eligible volunteer is in more than one eligible position, he must choose the position upon which his membership will be determined.” This does not prevent simultaneous contributions from a volunteer department or squad and its governing locality. To determine membership, however, any eligible volunteer will be treated as if they are in only one eligible position, regardless of the actual number of eligible positions they may hold.

FAQs: Investments

Can I select my investments?

No. VOLSAP funds are commingled with the VRS trust fund for purposes of investment. Unlike a defined contribution plan such as a 401(k), there is no individual participant investment direction.

FAQs: Other Retirement Accounts

Can I roll over my contributions into one of my other retirement accounts, such as my 401(k), 401(a), 457 or 403(b)?

No, a participant may not roll over VOLSAP funds into another tax-advantaged account. Unlike most retirement accounts that allow pretax contributions or do not tax earnings upon withdrawal, VOLSAP contributions are made on a post-tax basis, and earnings may be taxable upon withdrawal. The only way a participant may access their VOLSAP funds is by applying for a lump-sum distribution.

FAQs: Distributions

When will I receive my distribution?

Distributions occur once per year, between July 1 and October 31. Distribution requests must be submitted by June 10.

Can I receive a distribution in a manner other than a lump sum?

No. Currently, a lump-sum distribution is the only option.

Do I have to pay taxes on my distribution?

VOLSAP advises all participants to consult a tax professional to determine the tax implications of a distribution. None of VOLSAP's communications or website material should be considered tax advice. Generally, however, investment gains are subject to taxation, while the principal amount of participant-paid contributions is not taxable because contributions are made on a post-tax basis and have therefore already been taxed.

FAQs: Default or Dissolution

What happens to my account in the event of default?

If a participant becomes six months' delinquent in submitting quarterly payments, the participant forfeits their membership. Unless reinstated, by no later than December 31 following the Plan Year in which the forfeiture occurs, the member will be paid (i) a service award or (ii) if ineligible for a service award at the time of forfeiture, the member's own contributions plus any gains or losses.

What happens to my account in the event my department or squad ceases operations?

A participant can continue their membership with another department or squad. Otherwise, as the participant will not be able to make contributions after the dissolution of their squad or department, the participant will be in default when they become six months' delinquent in submitting quarterly payments.

FAQs: Beneficiaries

What happens to my money if I die?

Upon the death of a participant, the account balance is payable in accordance with Virginia law unless the participant has a beneficiary designation on file. To designate a beneficiary, complete and submit a Beneficiary Election Change Form (VOLSAP-4).

Contacts

Regular and Overnight Mail

Principal Custodial Solutions/
VOLSAP

510 N. Valley Mills Dr., Suite 400
Waco, TX 76710-6075

Call toll-free

1-844-749-1819

Reference

Sections [51.1-1200](#)
[through 51.1-1211](#)
of the *Code of Virginia*

Email

volsap@usi.com (USI)
volsap@varetire.org (VRS)

The VOLSAP third-party administrator is USI (formerly Findley).

VOLSAP

Administered by the
Virginia Retirement System

