



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 VRS pension trust fund in a widely diversified portfolio.
- Local departments, squads and localities may, but are not required to, make matching contributions.
- The state may also make matching contributions, although no such match 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.
- Local departments and squads may impose additional eligibility requirements.
- See your local department or squad for eligibility.

Membership Enrollment

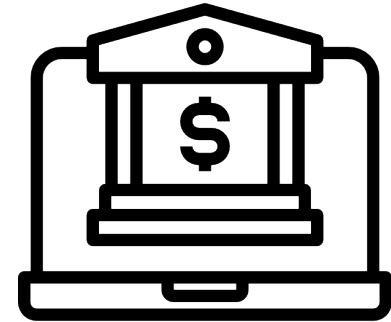


- Submit a VOLSAP-1 Form – Application for Membership.
 - Requires basic personal information.
 - A local department or squad representative must certify your membership with the department.
- Review the Application carefully and consider any purchase of prior service.
- A participant may only maintain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

Participation



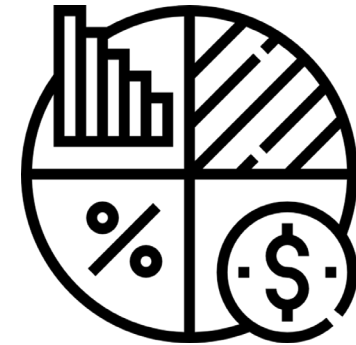
- Submit a quarterly \$30, \$60 or \$90 payment to your local department or squad (amount subject to change).
- Matching contributions, if any, will be automatically applied to your account.
- You will receive an annual statement of your account reflecting investment performance.
- Continue earning service credit for every month of qualifying volunteer service for which required payments are made.



Investment of Your Contributions



- The Virginia Retirement System (VRS) invests your contributions, and the third-party administrator, Findley (formerly BPS&M), 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/index.asp.



Example of Quarterly Investment Performance Report



Virginia Retirement System

Performance Summary AS OF DECEMBER 31, 2021

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 Strategies	11.9	12.9	18.5	19.3	5.0	4.4	4.4	19.3
Benchmark ¹	12.0	14.0	19.9	18.6	6.2	4.0	5.1	18.6
Total Fixed Income	3.8	4.7	6.4	-0.3	0.0	0.1	0.2	-0.3
Benchmark ²	3.0	3.6	4.9	-1.3	0.0	-0.1	0.1	-1.3
Total Credit Strategies	7.5	7.9	10.2	11.7	1.9	1.5	4.2	11.7
Benchmark ³	6.1	6.0	7.8	4.5	0.7	0.9	1.7	4.5
Total Real Assets	10.6	9.3	9.0	17.8	6.5	6.0	10.1	17.8
Benchmark ⁴	8.9	7.2	7.2	13.7	5.4	2.1	8.7	13.7
Total Private Equity	18.0	22.6	25.4	49.7	7.7	7.9	21.1	49.7
Benchmark ⁵	16.5	16.7	16.0	29.8	-1.0	-4.0	6.2	29.8
Total Private Investment Partnerships	n/a	10.9	11.5	29.6	4.6	4.6	11.6	29.6
Benchmark ⁶	n/a	9.8	9.6	16.8	1.7	-0.3	5.7	16.8
Total Multi-Asset Public Strategies	n/a	n/a	8.3	9.3	2.5	3.1	2.8	9.3
Benchmark ⁷	n/a	n/a	11.3	8.5	2.8	1.9	2.9	8.5
Total Fund	10.0	11.2	14.7	18.6	4.3	4.1	7.0	18.6
VRS Custom Benchmark ⁸	9.4	10.2	13.1	13.6	3.1	1.4	4.5	13.6

Notes:

- Effective February 2020, the Public Equity Custom Benchmark is the MSCI ACWI IMI (net VRS tax rates) Index.
- Effective July 2020, the Fixed Income Custom Benchmark is a blend of the Bloomberg Barclays Aggregate Bond Index (90%), Bloomberg Barclays US High Yield Ba/B2% Issuer Cap Index (5%), and J.P. Morgan EMBI Global Core Index (5%).
- Effective January 2020, the Credit Strategies Custom Benchmark is a blend of the S&P Performing Loan Index (60%), Bloomberg Barclays US High Yield Ba/B2% Issuer Cap Index (30%), and Bloomberg Barclays US Aggregate Bond Index (10%).
- Effective July 2014, the Real Assets Custom Benchmark is the market value weighted blend of the Total Real Estate Benchmark, of which 85% is the NCREIF Private Real Estate Benchmark (ODCE Index (net) lagged by three months) and 15% is the Total REIT Benchmark (FTSE/EPPA/NAREIT Developed REIT Index) and the Other Real Assets Custom Benchmark (the CPI-U Index plus 400 basis points per annum lagged by three months).
- Effective July 2020, the Private Equity Custom Benchmark is the MSCI ACWI IMI Index (net VRS tax rates) lagged by three months.
- Effective July 2021, the Private Investment Partnerships Custom Benchmark is the weighted average of the custom Private Equity Benchmark (MSCI ACWI IMI Index (net VRS tax rates) lagged by three months) (33%), the NCREIF Private Real Estate Benchmark (ODCE Index (net) lagged by three months) (25%), the Other Real Assets Custom Benchmark (the CPI-U Index plus 400 basis points per annum lagged by three months) (8%), the Bloomberg Barclays US HY Ba/B2% Issuer Cap Index (17%), and the S&P Performing Loan Index (17%).
- Effective July 2018, the Multi-Asset Public Strategies Custom Benchmark is the market value weighted average of the benchmarks of the mandates (Dynamic Strategies and Risk-Based Investments) within the program.
- The VRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.

Source: Bank of New York Mellon

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

Investment Accounting



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

**Participant
contributions**

**Matching
contributions
made by the local
department, squad
or locality, if any**

**Matching
contributions
made by the state**

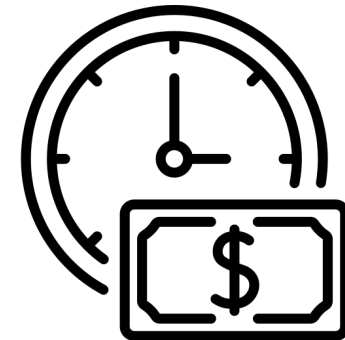
Note: To date, there have been no matching contributions made by the state.

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 five years of service credit

Prior to being eligible for a distribution:

- A participant is only entitled to receive his or her participant contributions, less any investment losses and a \$25 administrative fee.
- A participant irrevocably forfeits all matching contributions and associated investment gains/losses by withdrawing funds prior to meeting minimum age/service requirements.

Unreduced Distribution



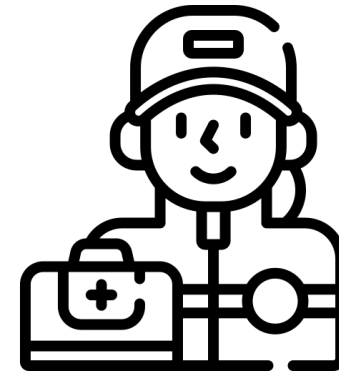
Lump sum includes:

- All participant contributions and associated investment gains/losses.
- All matching contributions made on behalf of the participant by the local department, squad or locality, and associated investment gains/losses.
- All matching contributions made on behalf of the participant by the state, and associated investment gains/losses. *Note: To date, there have been no matching contributions made by the state.*

Example: Susan



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.
- Contributions made on her behalf by her local department, squad and locality, if any.
- 100% of contributions made on her behalf by the state government's general fund appropriations, 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 matching contributions made on behalf of the participant by the local department, squad or locality, and associated investment gains/losses.
- **Partial** matching contributions made on behalf of the participant by the state, if any, and **partial** investment gains/losses.

Partial Distribution *(continued)*



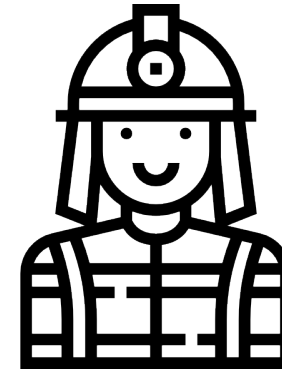
The percentage of matching state contributions and associated investment gains/losses that a participant receives is based on years of service credit:

- **5%:** At least 5 years, but less than 6
- **10%:** At least 6 years, but less than 7
- **25%:** At least 7 years, but less than 8
- **45%:** At least 8 years, but less than 9
- **70%:** At least 9 years, but less than 10

Note: To date, there have been no matching contributions made by the state.

Example: Ted

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:

- 100% of his contributions and associated investment gains or losses.
- 100% of any matching contributions made on his behalf by his local department, squad or locality and associated investment gains or losses.
- 70% of contributions made by the state's general fund appropriations and any investment gains or losses applicable to the state's contributions made on his behalf. *(Note: To date, there have been no matching contributions made by the state.)*

Purchase of Prior Service



- A full distribution requires 10 years of volunteer service credit, and 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.

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.**

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 his or her 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.

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. For the purpose of determining membership, however, any eligible volunteer will be treated as if he or she is in only one eligible position, regardless of the actual number of eligible positions.

Whom 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 Findley, the VOLSAP third-party administrator, at volsap@findley.com.

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

Matching contributions are not mandatory and are dependent upon funding. A local department or squad, locality, or the General Assembly *may* appropriate funds to match a portion of participant contributions. Local departments or squads, localities, or the General Assembly must appropriate funds to provide for matching contributions.

Can I skip a quarterly contribution?

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

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 file a beneficiary designation, submit a completed Beneficiary Election Change Form (VOLSAP-4).

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 his or her VOLSAP funds is by applying for a lump sum distribution.

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.

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.

Contacts



Regular and Overnight Mail

Principal Custody Solutions/VOLSAP
510 N. Valley Mills Dr., Suite 400
Waco, TX 76710

Call toll-free

844-749-1819

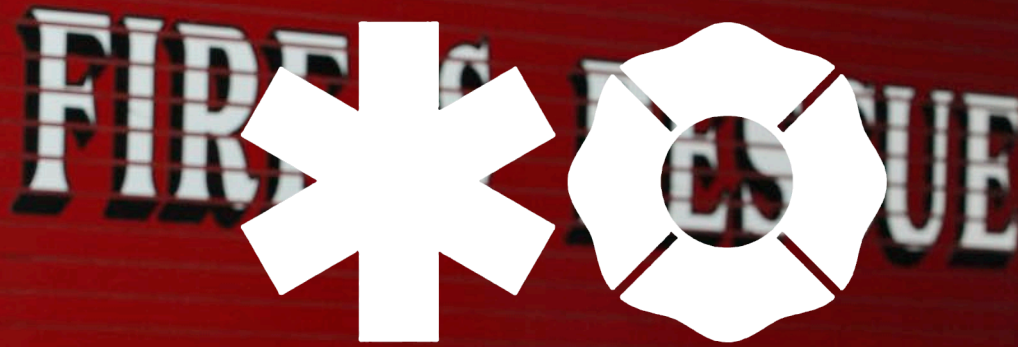
Reference

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

Email

volsap@findley.com (Findley)
volsap@varetire.org (VRS)

*The VOLSAP third-party
administrator is Findley.*



VOLSAP

for those who serve Virginia

Administered by the
Virginia Retirement System