

Summary

PLAN PROFILE

The Virginia Retirement System, an independent state agency based in Richmond, delivers retirement and other benefits to covered Virginia public sector employees through sound financial stewardship and superior customer service. VRS ranks as the 18th largest public or private pension fund in the U.S. and the 41st largest in the world, serving more than 742,000 active and inactive members, retirees and beneficiaries. Members include public school teachers, political subdivision employees (cities, towns, special authorities and commissions), state agency employees, public college and university personnel, state police, Virginia law officers and the judiciary. Approximately 837 employers have elected to participate in VRS.

BACKGROUND INFORMATION

In 2020, the world was forever changed by the coronavirus pandemic. As COVID-19 quickly spread across the globe, states across the U.S. began implementing strategies to prepare and brace for the impact of this new virus. The Virginia Retirement System (VRS) acted quickly, creating a new playbook to help keep members, employers and retirees informed, educated and on track for retirement.

Given the uncertainty around the virus, increased market volatility and legislation enacted to meet these challenges early in the pandemic, VRS partnered with MissionSquare Retirement (formerly ICMA-RC), the third-party record keeper for its defined contribution plans (DCP), to develop strategic initiatives, including adopting new plan provisions for coronavirus-related relief, developing staying connected communications and virtual retirement education opportunities.

GOALS

To keep participants engaged and connected to their retirement plan, VRS created a playbook focused on planning and driving key strategic initiatives. The agile approach ensured a cohesive response with timely and informative updates, building awareness of available education and support, and helping participants navigate challenges throughout the pandemic.

Goals included:

- Access to financial assistance for those struggling from financial impact
- Communications to keep participants informed and connected to available resources
- Seamless switch from in-person to online virtual education

IN THEIR OWN WORDS

“Serving those who serve others is at the heart of our mission at the Virginia Retirement System (VRS). With the onset of the pandemic, VRS redoubled our efforts to proactively communicate with participants and anticipate the information and resources they might need in a time of economic uncertainty and personal hardships, while also providing reassurance on market volatility. We quickly provided guidance on federal legislation around emergency plan withdrawals, increased flexibility around deferral changes and pivoted to offer remote counseling, a COVID-19 financial wellness guide, and point participants to online VRS educational services.”

— Patricia S. Bishop, VRS Director

Written Justification

DETAILED DESCRIPTION OF THE PROJECT

The VRS playbook focused on three initiatives, designed to support financial needs and keep participants engaged and connected to their retirement plan throughout the pandemic.

Initiatives included:



1 PLAN PROVISIONS FOR CORONAVIRUS RELIEF

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020, and offered flexible distribution options from retirement plans, including a waiver of required minimum distributions (RMDs). VRS quickly adopted and implemented these plan provisions to provide financial relief for members and participants.

CARES Act communications included:

- Account messages, online resources and call center assistance
- Distribution and repayment forms that included counseling points related to the impact of early distributions
- Allowance of monthly, instead of quarterly, contribution changes if members needed to quickly decrease savings for a period of time
- RMD waiver letters and outreach
- Employer email outreach and education

As a result of these efforts, VRS participants received real-time information, enabling them to make the best decisions for their needs and their family's financial well-being.

2 STAYING CONNECTED PANDEMIC COMMUNICATIONS

To ensure participants remained informed and connected to their latest plan news and resources, VRS provided new communications and resources in the early stages of the pandemic. Communications promoted uninterrupted online access, contact center support and Defined Contribution Plans Retirement Education Specialists appointments and educational webinars.

Pandemic communications included:

- COVID-19 alerts and banner ads
- COVID-19 response page with the latest news, CARES Act education, resources available in members' online myVRS accounts including a COVID-19 financial wellness guide, and market volatility education
- "Staying Connected" campaign with participant emails, website messages and banner ads promoting continuation of services, including virtual one-on-one appointments
- "Coronavirus and the Markets" e-flyer with market perspective with impacts and considerations

As a result of these efforts, VRS participants were able to stay informed and quickly locate support and education, reducing stress during a very difficult time.

3 VIRTUAL RETIREMENT EDUCATION OPPORTUNITIES

VRS' top priority is the safety and well-being of the communities it serves. Therefore, out of an abundance of caution, all VRS offices, including the VRS Service Center, were closed to in-person and walk-in appointments. The Defined Contribution Plans Retirement Specialists quickly shifted from in-person to virtual assistance through phone and email support, virtual one-on-one appointments and engaging virtual education webinars.

Virtual education communications included:

- Walk-in center announcements and alerts
- Emails to employers
- E-flyers promoting virtual webinar quarterly topics and sign-up instructions
- FOCUS Newsletter articles promoting available support and education schedules, including webinars and one-on-one virtual meetings

As a result of these efforts, VRS DCP participants continued to receive education and assistance to help reach their retirement goals without interruption.

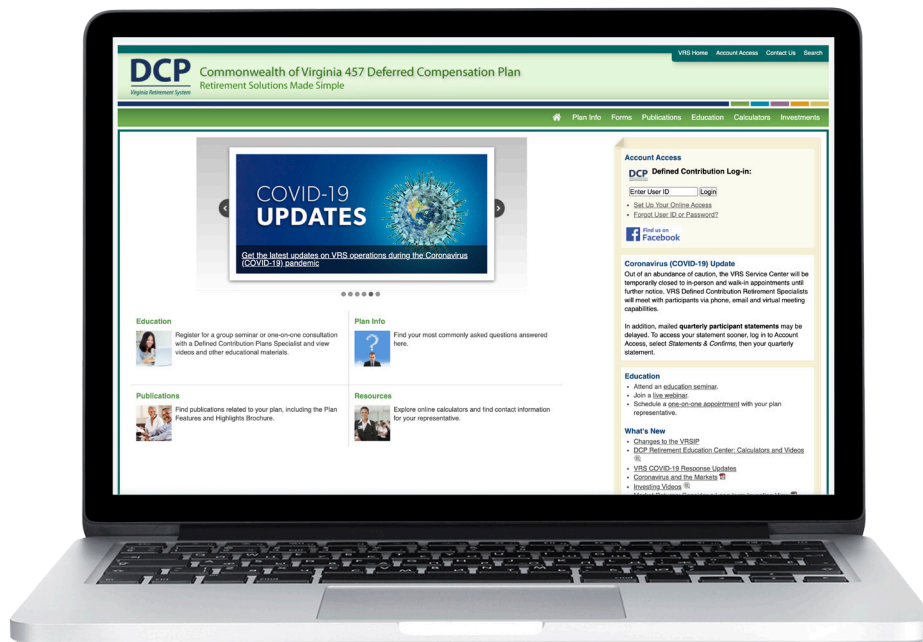
Timeline

The virtual pandemic response effort began at the start of the pandemic, on March 16, 2020, and continued throughout 2020. Many of the tactics continue in 2021.

Significance of the Improvement to the Operation of the Plan

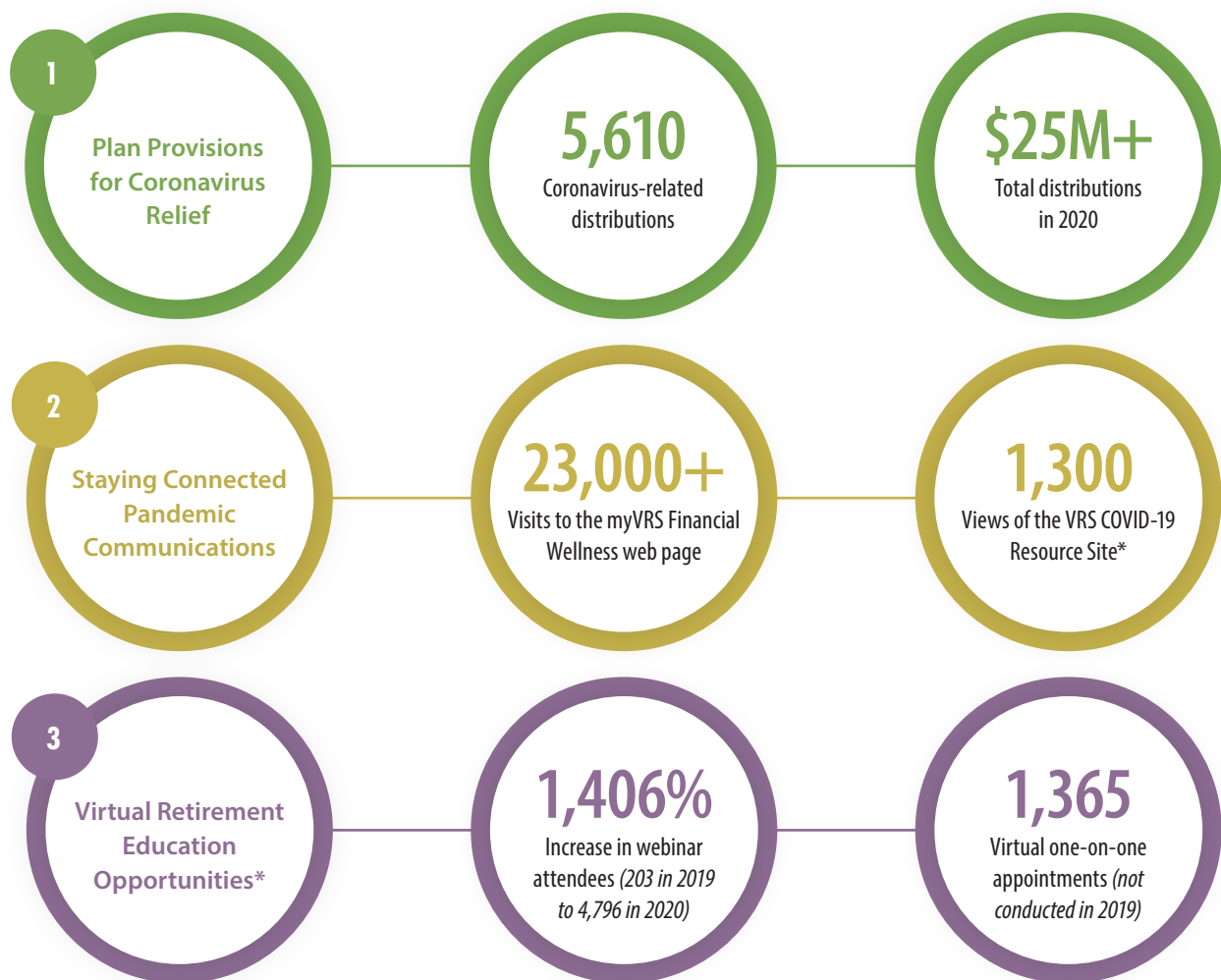
A virtual pandemic response was necessary to ensure participants continued to feel connected to their retirement plan and resources throughout the pandemic. This helped reduce stress, anxiety, knee-jerk reactions and snap decisions. As a result, participants had access to uninterrupted education, reducing potential negative impact to their retirement savings.

Examples



Results

The VRS playbook eased the challenges of communicating during the coronavirus pandemic. The strategic initiatives made a measurable difference in the following ways:



Feasibility of Use by Other Governments of a Similar Size

Governments of all sizes could develop a similar virtual pandemic response playbook, in partnership with their record keeper. As the pandemic continues, these strategic initiatives have provided a foundation and an effective way to implement ongoing updates and education. This effort ensured a cohesive response, including timely and informative updates, built awareness of available education and support, and helped participants and employers navigate and solve challenges throughout the pandemic.

* Results: March 16-December 31, 2020 versus April 1-December 31, 2019.