



**CITY OF RICHMOND
RETIREMENT SYSTEM DEFINED
CONTRIBUTION PLAN**



INTRODUCING YOUR RETIREMENT PLAN



There is no better time than the present to plan for retirement. Your employer, through the Richmond Retirement System (RRS), has taken the first step by setting up a defined contribution plan retirement account on your behalf. The RRS, in partnership with ICMA-RC, is pleased to have you as a participant and help you with your retirement goals.

- ICMA-RC has offered retirement plans exclusively for public sector employees since 1972.
- Your defined contribution plan offers a comprehensive selection of investment options.
- Account transactions, including fund-to-fund transfers, may be made over the telephone or via the Internet at www.icmarc.org.
- If you change jobs, you can consolidate the vested portion of your retirement plan in another Internal Revenue Service qualified 401 plan, 457 deferred compensation plan, tax sheltered 403(b) annuity plan, or an IRA.

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- Comprehensive participant services, including quarterly plan statements and newsletters, are available to you.
- You will not be charged any hidden fees.

MONEY PURCHASE PLAN

What is a money purchase plan?

A money purchase plan is a retirement plan that is “qualified” under Section 401(a) of the Internal Revenue Code. Your defined contribution plan is a money purchase plan. As a qualified plan participant, you are not taxed on employer contributions or earnings until they are withdrawn, usually at retirement when you may be in a lower tax bracket.

PARTICIPATION

Who can participate?

Any employee of a participating employer (other than an elected official or member of the judicial retirement system) who is regularly employed on a full-time basis and who is hired or rehired on or after July 1, 2006. Employees hired or rehired prior to July 1, 2006 may contact the RRS, or ICMA-RC for more information regarding their potential eligibility to participate in the plan. Participation in the plan is optional for some groups of employees.

When may I join?

General employees hired or rehired on or after July 1, 2006, become participants in the plan upon eligibility, and assets are automatically allocated to the plan’s default investment fund unless the participant selects a different investment option.

CONTRIBUTIONS

What types of contributions can be made to your defined contribution plan account?

Each eligible participant has a plan account to which your employer makes bi-weekly contributions on your behalf. Plan benefits are based on the total amount of money in your account at retirement or other eligible events.

Over time, your retirement account is likely to make a valuable contribution to your retirement security. Contributions to your account are made on a bi-weekly basis. The chart below* illustrates the growth of a hypothetical account, based on annual investment earnings of 7 percent, if contributions were made at the beginning of each year.

IF THE CITY CONTRIBUTES \$1,000 A YEAR FOR:	YOUR ACCOUNT MAY HAVE AN ACCUMULATED VALUE OF:
5 YEARS	\$6,153
10 YEARS	\$14,784
15 YEARS	\$26,888
20 YEARS	\$43,865
25 YEARS	\$67,676
30 YEARS	\$101,173
35 YEARS	\$147,913

** For illustrative purposes only. Assumes a 7% rate of return. Actual results will be higher or lower, based on the performance of your underlying investments during the time periods you own them.*

How are the contributions determined?

Your employer contributes to your defined contribution account a percentage of your pay based on years of service, according to the following schedule:

Years of Creditable Service	Contribution Percentage
Less than 5	5%
5 through 9	6%
10 through 14	8%
15 or greater	10%

How are these contributions treated for tax purposes?

The contributions to your account are not taxed until you receive them, usually during retirement. Earnings in your account also grow on a tax-deferred basis.

May I make additional contributions?

No. The plan is funded entirely by contributions made by your employer.

May I contribute to other tax-deferred retirement plans?

Yes. You may also contribute to your employer's 457 deferred compensation plan.

How is my account activity reported?

ICMA-RC produces quarterly account statements within two weeks following the end of each quarter. Your quarterly statement details contributions, transfers, earnings, and investment performance. You can also view your statement online and receive an email notification when it becomes available.

You can access your account balance daily by calling ICMA-RC's 24-hour, toll-free voice response system at 800-669-7400 or through the Internet at www.icmarc.org after logging in.

Can I "roll" money over from another plan into this plan?

If you have an account in another retirement plan and take a distribution that qualifies as an eligible rollover distribution according to IRS regulations, you are encouraged to consider the benefits, as well as any disadvantages of moving those assets to this account. For additional information or assistance with your rollover, please contact ICMA-RC Investor Services representatives toll-free at 800-669-7400.

INVESTMENT OPTIONS, TOOLS AND FEES

What are my investment options?

Investors may choose from VantageTrust Funds which invest in underlying mutual funds, such as the Vantagepoint Funds that are managed by a wholly-owned subsidiary of ICMA-RC LLC, or third-party mutual funds selected to be part of the VantageTrust Trust Series funds. Your plan's enrollment kit contains the Richmond Retirement System's 401(a) investment options sheet, and *Making Sound Investment Decisions: A Retirement Investment Guide*, that describe the funds in more detail.

What tools do you offer to help me invest for my retirement?

In addition to online calculators and educational articles, ICMA-RC offers Guided Pathways®, a comprehensive suite of investment advisory and account management services. The program offers three levels of service designed to direct you to the appropriate level of assistance, based on how involved you want to be in your retirement investing decisions.

- **Asset Class Guidance** offers you a recommendation on how to divide your retirement account among asset classes.

- **Fund Advice** offers you a recommendation of specific funds in which to invest.
- **Managed Accounts** offers you ongoing professional management of your retirement plan assets, based on your personal and financial situation.

Additional fees may apply, depending on the Guided Pathways[®] service selected. Please contact our Guided Pathways[®] team or your ICMA-RC representative and fully read the ICMA-RC Guided Pathways[®] Fund Advice and Managed Accounts Investment Advisory Agreement prior to enrolling to determine if this service is right for you.

Are there fees, minimum investments, and/or restrictions?

Fees apply, depending on the investments you select. ICMA-RC prides itself on its competitive fee structure. Additional information related to the VantageTrust Funds' fees can be found in *Making Sound Investment Decisions: A Retirement Investment Guide*, contained in the enrollment kit. There is no minimum investment.

You may generally transfer your assets between funds without restriction. However, some funds impose redemption fees (or may otherwise limit your ability to conduct frequent transfers) in order to prevent market timing activities and to protect the interest of long-term investors.

VESTING

What is vesting?

Vesting is your ownership of the assets in your plan, and is based on your years of employment service.

How do I become fully vested in the contributions made to my account?

You gain ownership of your employer's contributions after completing five years of service. Your employer has created the following vesting schedule, which determines the number of years of service required to become 100 percent vested in the employer contributions (and associated earnings) within your account:

Years of Vesting Service	Vesting Percentage
Less than 5	0%
5 or more	100%

Are there any special circumstances concerning vesting?

Your account becomes 100 percent vested if you are approved for disability retirement, reach normal retirement age, or die (regardless of your term of employment) while actively employed.

If I roll money over to my account, are these funds fully vested?

Yes. Assets that you roll over to your account, plus any earnings, are always 100 percent vested.

WITHDRAWALS

When are assets in my account payable to me?

In general, you are eligible to withdraw vested assets from the plan upon separation from service or retirement. If you are approved for disability retirement, your pension will be offset on an actuarial basis by your account balance. Your beneficiary becomes eligible to receive benefits from the plan in the event of your death.

Can I take a loan from my account?

No. Loans are not available in the retirement plan.

How do I withdraw my assets?

ICMA-RC's *401 Money Purchase Plan Benefit Withdrawal Packet* fully details the information you will need and it contains all necessary forms. You may obtain the packet from your employer or through our Investor Services representatives at 800-669-7400. Upon separation from employment, the Richmond Retirement System must receive official notification of your separation date before they can authorize the release of your account balance.

Are there any taxes or penalties on withdrawals?

ICMA-RC does not assess a penalty for any distribution for which you are eligible, regardless of your age or length of plan participation. However, contributions and all earnings are subject to federal, state and local income taxes when withdrawn. Taxable assets withdrawn before age 59½ may be subject to an IRS tax penalty of 10 percent, as well as ordinary income taxes. ICMA-RC does not withhold any portion of your payment to cover the IRS 10 percent penalty. You are responsible for calculating and paying it when you file your annual tax return.

ICMA-RC provides the appropriate tax withholding forms and special instructions on taxes for all distributions.

How will my retirement benefit be paid to me?

You may choose from the following:

- (A) A total or partial lump-sum payment
- (B) Installment payments (monthly, quarterly, semi-annual, or annual) until your assets are fully distributed

- (C) Purchase of a lifetime annuity.* If you choose this option, ICMA-RC will transfer a lump-sum payment from your account to an insurance company not affiliated with ICMA-RC or your employer.
- (D) An individual retirement account (IRA) program, including Traditional IRAs and Roth IRAs.**

What options are available if I change jobs and don't want to start receiving benefits?

You may leave assets in your account if your vested balance exceeds \$1,000. You may also transfer all or part of a distribution that is eligible as a rollover under IRS rules to another employer's retirement plan (401 qualified plan, 457 deferred compensation plan or 403(b) tax sheltered annuity plan) as long as that plan accepts rollovers, or to an IRA.**

Eligible rollover distributions generally comprise all distributions unless they are: (1) regular, periodic payments over long periods, such as life expectancy or 10 years or more or (2) required minimum payments made to participants who are age 70½ or older.

* ICMA-RC partners with select insurance companies that make annuities available through the Income for Life Annuity program. Participating insurance companies compensate ICMA-RC for providing administrative services in support of the Income for Life Annuity program. The fee is at an annual rate of 80 basis points (0.80%) of the purchase amount of the annuity for a period of five years. Please consult Income for Life Annuity Program: Immediate Annuities for Retirement Income, prior to purchasing an annuity. You may obtain a copy by calling Investor Services at 800-669-7400.

** If eligible to consolidate in a Roth IRA, any amounts transferred would be subject to tax up-front, but future earnings could be tax-free.

What if my vested balance is below \$1,000?

If your total vested account balance is below \$1,000 when you leave employment, it will be paid to you as soon as possible. You do not have the option of keeping your assets in your account and delaying payment, but you may choose to transfer the balance to a new employer's plan, including a 457 deferred compensation plan, or an IRA.

WITHDRAWING YOUR FUNDS: SPECIAL CIRCUMSTANCES

What if I am subject to a Qualified Domestic Relations Order (QDRO)?

A QDRO relates to the provision of child support, alimony payments, or marital property rights of a former spouse. The QDRO recognizes an alternate payee's right to receive some or all of the plan benefits payable to you. We strongly urge you to contact us when a QDRO is anticipated to avoid any foreseeable problems. We will disburse the funds according to a QDRO only with employer approval.

What if I become disabled?

In the event you qualify, disability benefits will be offset by any benefits you are eligible to receive from the defined contribution plan.

What happens in the event of my death prior to beginning distributions?

In the event of your death, your eligible beneficiary receives your funds. Your plan includes a provision entitled "Beneficiary Spousal Consent Election". Under this provision if you are married, your spouse is your eligible beneficiary. As a married participant, you are required to receive spousal consent before you can name someone other than your spouse as the beneficiary of your account.

MORE INFORMATION ABOUT ICMA-RC AND THE VANTAGETRUST COMPANY

ICMA Retirement Corporation (“ICMA-RC”) is a Delaware not-for-profit corporation and is registered as an investment adviser with the Securities and Exchange Commission. ICMA-RC is dedicated to lessening the burdens on state and local governments by assisting in the establishment and maintenance of retirement investment vehicles for public employees. VantageTrust Company (the “Trust Company”) is a New Hampshire non-depository banking institution founded in 2001.

ICMA-RC and the Trust Company provide plan administration services and sponsor investment options for deferred compensation and qualified retirement plans established by Public Employers under Sections 457 and 401, respectively, of the Internal Revenue Code.

ICMA-RC has administered retirement plans since 1972, and has served as investment adviser to the Trust Company and its predecessor since 1983. ICMA-RC currently provides services to more than 8,500 plans.

Investment options are offered through VantageTrust, a group trust sponsored by the Trust Company. Investment options available include the VantageTrust PLUS Fund and the VantageTrust Funds as well as VantageTrust Certificates of Deposit Accounts.

This plan introduction is designed to provide you with general plan information. If there is a conflict between the information in this brochure and either the plan document, Making Sound Investment Decisions: A Retirement Investment Guide, or the Vantagepoint Funds Prospectus, the plan document, Investment Guide, or Prospectus will be the controlling document.

Some of the products, services, or funds detailed in this publication may not be available in your plan. Products and services are subject to change.

Please consult both the current applicable prospectus and Making Sound Investment Decisions: A Retirement Investment Guide carefully for a complete summary of all fees, expenses, charges, financial highlights, investment objectives, risks and performance information. Investors should consider the Fund's investment objectives, risks, charges and expenses before investing or sending money.

The prospectus contains this and other information about the investment company. Please read the prospectus carefully before investing. All Vantagepoint Funds invested through 401 or 457 plans are held through Vantage Trust. Vantagepoint Funds are distributed by ICMA-RC Services LLC, a wholly owned broker-dealer subsidiary of ICMA-RC and member FINRA/SIPC. For a current prospectus, contact ICMA-RC Services, LLC by calling 800-669-7400 or by writing to 777 North Capitol Street, NE, Washington, DC 20002-4240, or by visiting www.icmarc.org.

En Español llame al 800-669-8216.

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