

Customer Service Initiatives at the Virginia Retirement System

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System Overview



Virginia
Retirement
System

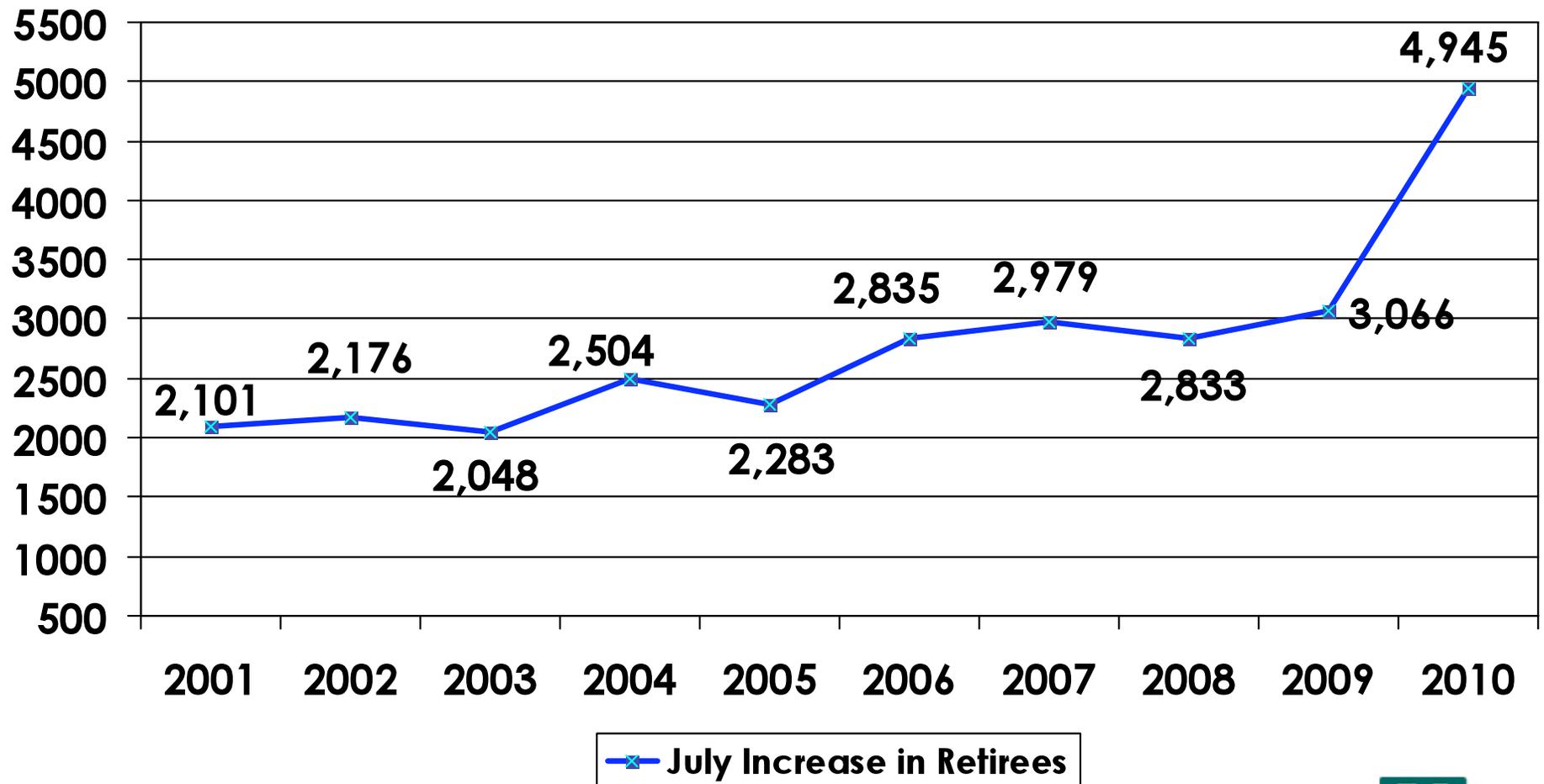
VRS Overview

- VRS is the 22nd largest public or private pension system in the U.S.
- There are almost 600,000 members, retirees and beneficiaries.

VRS Total Membership

Teachers	147,817
Political Subdivisions	104,385
State Employees	78,613
State Police Officers' Retirement System (SPORS)	1,766
Judicial Retirement System (JRS)	408
Virginia Law Officers' Retirement System (VaLORS)	9,620
Total Active Members	342,609
Retirees/Beneficiaries	148,496
Inactive/Deferred Members	105,774
VRS Overall Impact	596,879

July Retirements by Fiscal Year

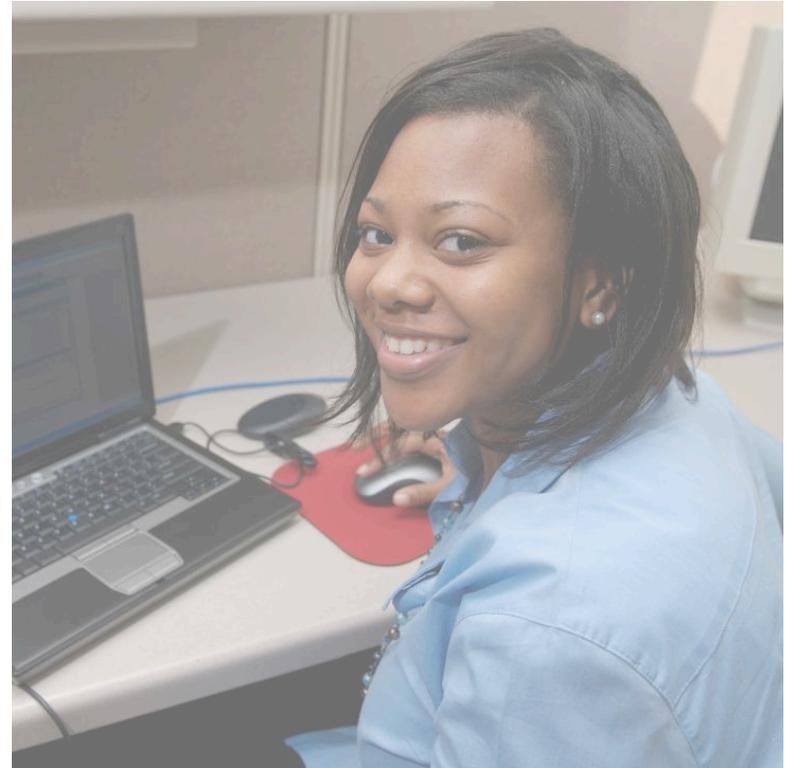


VRS Programs

- Retirement Plans:
 - 4 Defined Benefit Plans (VRS, SPORS, JRS, VaLORS)
 - 5 Defined Contribution Plans*(Faculty, Political Appointees, School Superintendents, School Specialists, Deferred Compensation)
- Insurance Programs:
 - Life Insurance Plans*
 - Traditional Disability(local employees)
 - Virginia Sickness and Disability Program*(state employees)
 - Long-Term Care Insurance Plans*
 - Health Insurance Credit

* Denotes programs administered by third-party

Service Delivery



Customer Service Initiatives

Initiatives Launched In Last 5 Years:

- Reengineer Contact Center
- Build Online Self-Service
- Modernize Systems and Work Processes

Reengineer Contact Center

- Call center averages nearly 1,000 calls/day from members, retirees and employers
- In 2005 – abandon rates on inbound calls averaged 22%
- Turnover among call agents was high
- Phone system was outmoded and no longer supported by vendor
- Ability to monitor quality was limited
- Reasons for calls not captured

Reengineer Contact Center

- New phone system installed in 2006
- New business processes were enabled:
 - Skills-based routing of inbound calls – led to competency-based compensation model, revised training and testing
 - Screen pops – enabled faster handshake with inbound callers
 - Better navigation between systems – speedier initiation of transactions and call completion
 - Call recording- enabled call monitoring for performance evaluation, identification of training gaps and permanent member record of voice interactions
 - Predictive call volumes – enabled deployment of part-time call agents during peak times

Online Self-Service



***myVRS* Suite**

- *myVRS* for members
(Deployed May 2006) 155,000 registrations – 45%
- *myVRS* for employers
(Deployed February 2007) 1,800 registered employers – 92%
- *myVRS* for retirees
(Deployed June 2008) 27,600 registrations – 19%

[Account Home](#)

[Benefit Estimator](#)

[Retirement Planner](#)

[Update Personal Profile](#)

- Open Requests
- Purchase of Prior Service Information
- Employment History
- Compensation History
- Service & Contributions
- Life Insurance
- Member Benefit Profile(MBP)

Online Account Summary

YOUR VRS DEFINED BENEFIT ACCOUNT SUMMARY AS OF 03/31/2010

Your Service

Membership Date: 05/25/2005
Total Service: 4 yrs 10 mos

Your Member Contributions

Total Funds in Your Member Contribution Account: \$9,025.91
Taxable Contributions and Interest: \$9,025.91
After-Tax Contributions: \$0.00

Your Projected Monthly Retirement Benefit

With an UNREDUCED Benefit		With a REDUCED Benefit	
Age at Retirement:	52 yrs 11 mos	Age at Retirement:	50 yrs 1 mos
Retirement Date:	06/01/2035	Retirement Date:	08/01/2032
Service at Retirement:	30 yrs 0 mos	Service at Retirement:	27 yrs 2 mos
Average Final Compensation (AFC):	\$41,580.00	Average Final Compensation (AFC):	\$41,580.00
Estimated Monthly Benefit:	\$1,767.15	Estimated Monthly Benefit:	\$858.02

YOUR VRS DEFINED CONTRIBUTION ACCOUNT SUMMARY AS OF 04/19/2010

Your Account Balance

Total \$5,603.78

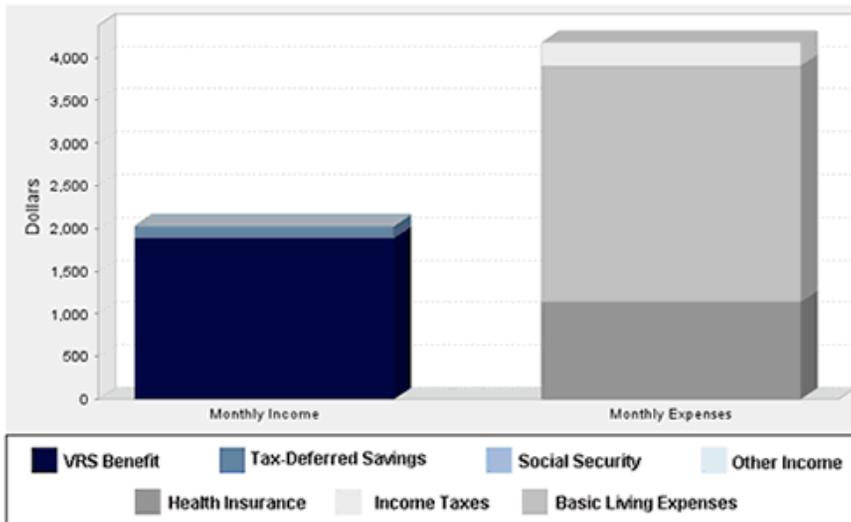
myVRS Planner for Members

Quick Plan vs. Detailed Plan

Quick Plan Results For Retirement Date: 06/01/2035

Dates to Remember

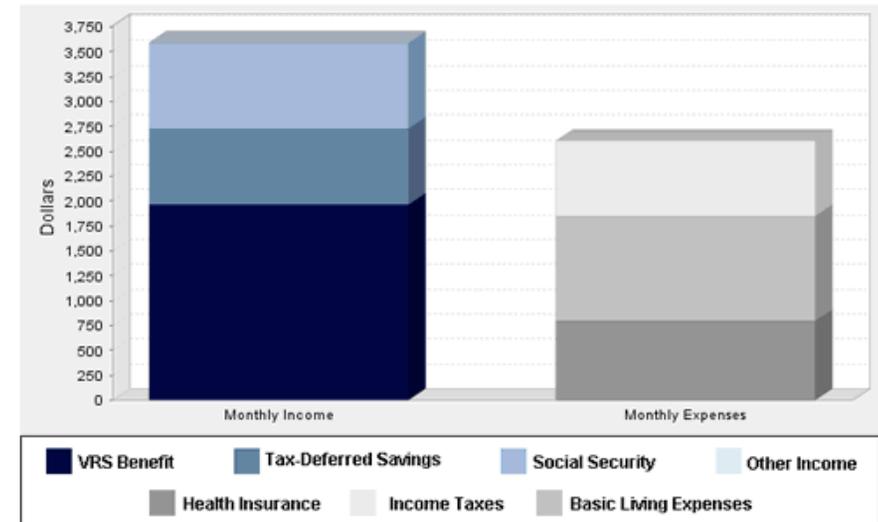
First COLA increase: 08/01/2037 First life insurance reduction: 01/01/2037



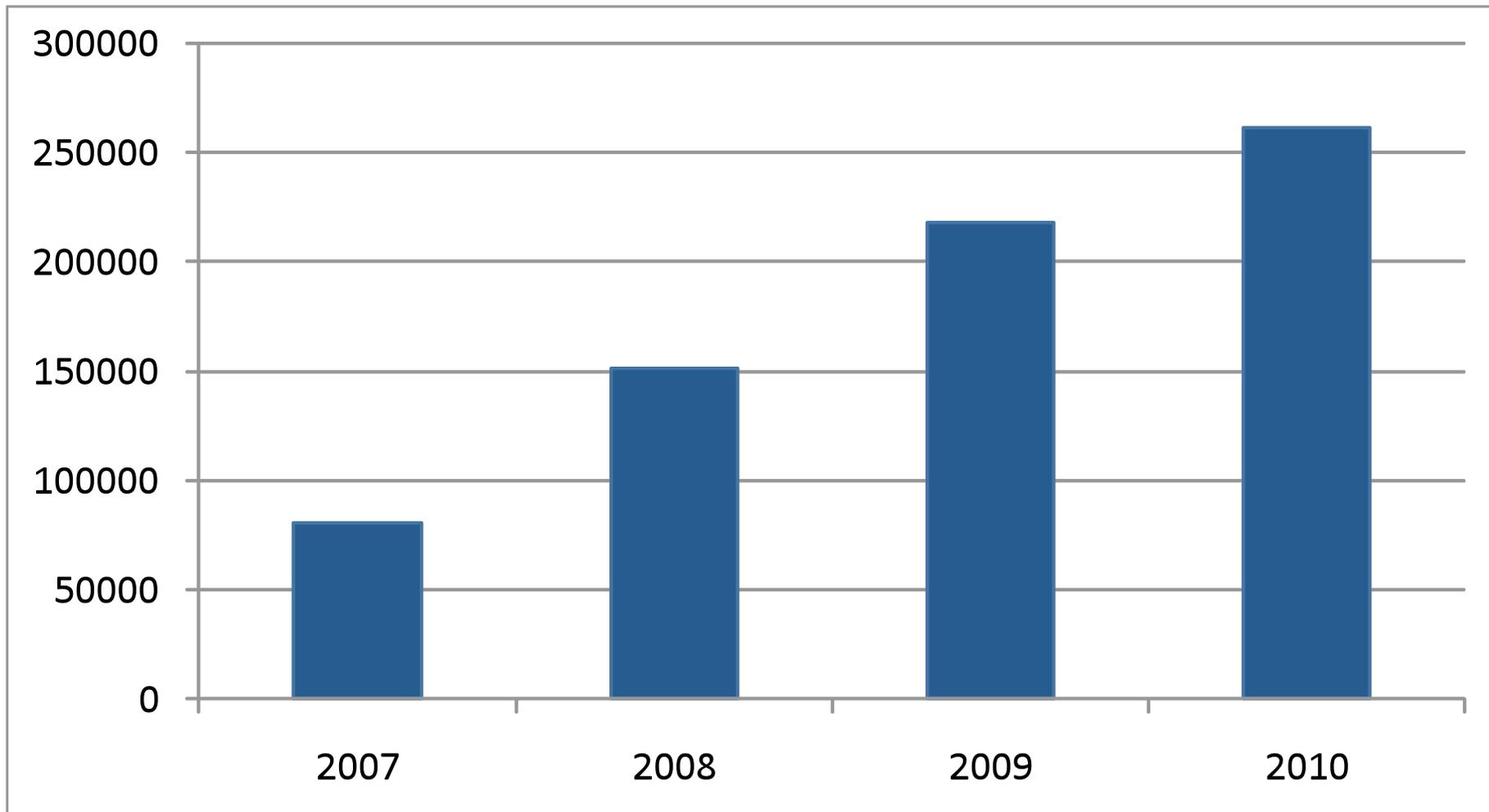
Detailed Plan Results For Retirement Date: 08/01/2037

Dates to Remember

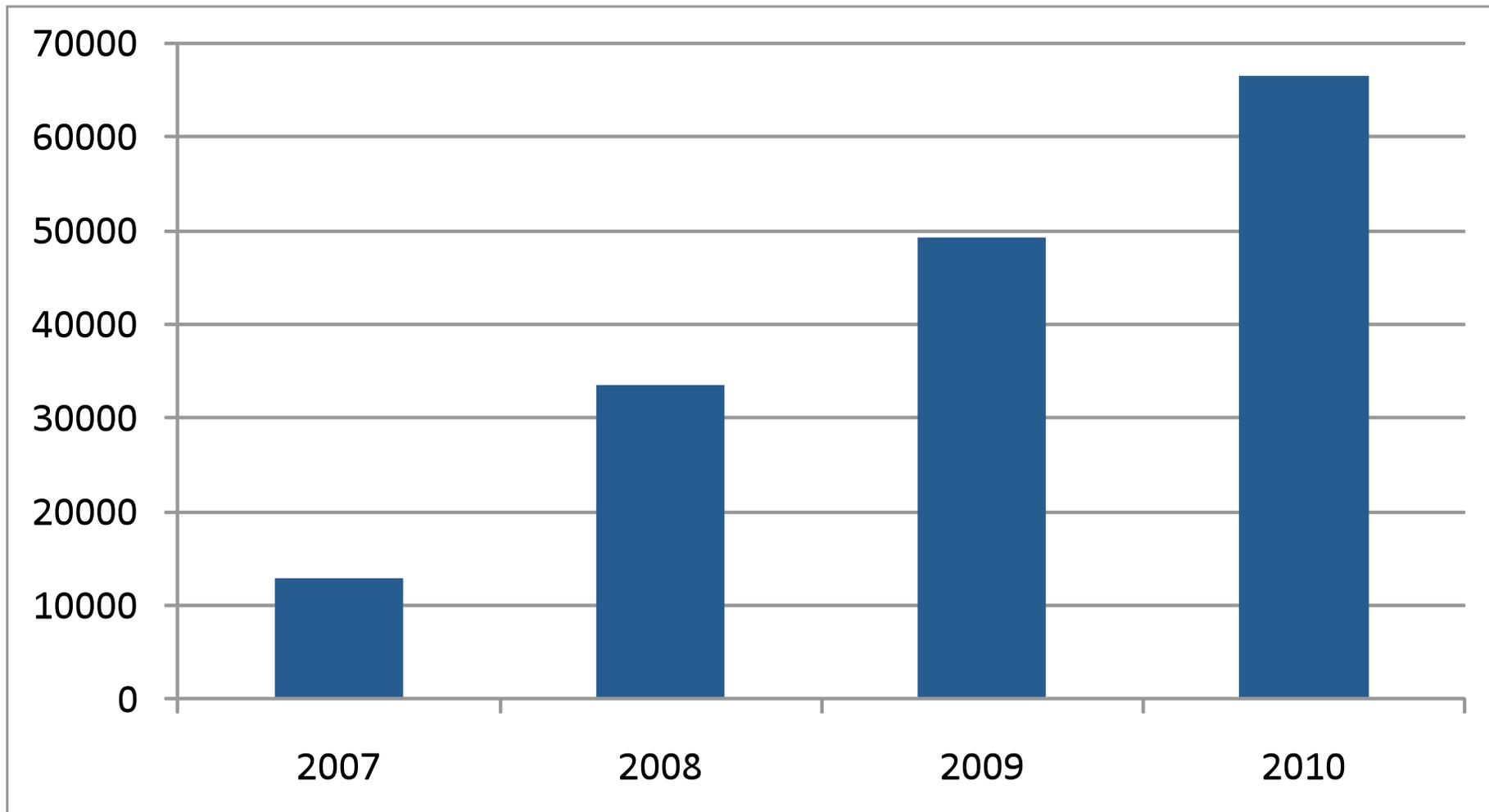
First COLA increase: 08/01/2039 First life insurance reduction: 01/01/2039



myVRS Benefit Estimates Performed by Members (FY)



myVRS Benefit Estimates Performed by Employers (FY)



Continuous Improvement of Customer Service



Modernization Program (2009 – 2013)

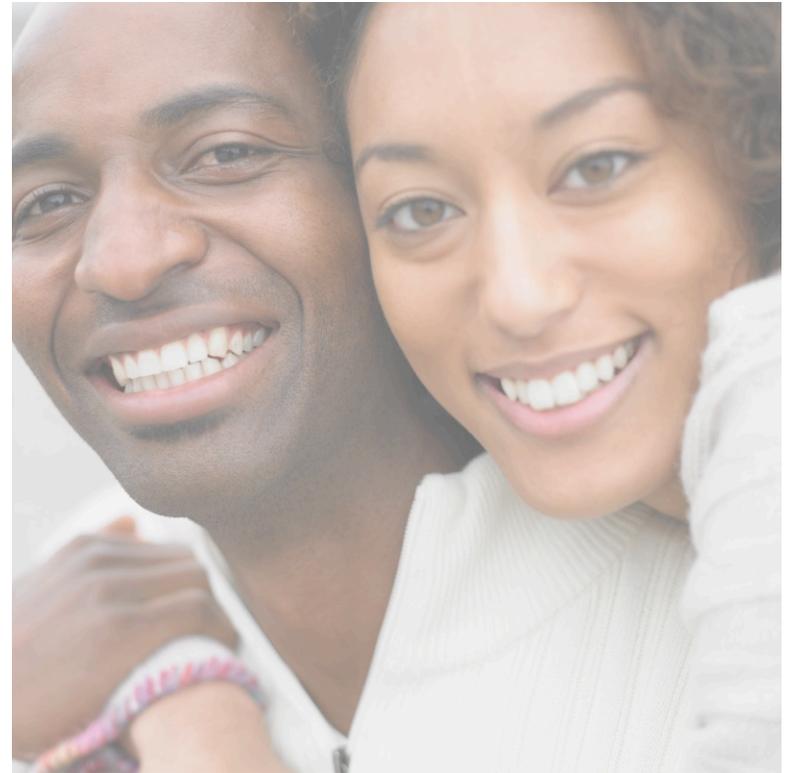
- Replace obsolete technology
- Reengineer business processes
- Present consolidated view of the customer
- Integrate third-party administrators
- Accept online transactions (no forms, no paper)
- Streamline benefit application by “life events”
- Benefit simulation/online application wizards
- Integrate “back office” staffing with “customer facing” functions.

Continuous Improvement of Customer Service

Steps in the Process

- Listen to the customer
- Benchmark business processes against Best of Breed
- Act on the “low hanging fruit”
- Develop technology to support business goals
- Gain employee support and enthusiasm
- Set a plan to get there with both short-term and long-term winners
- Celebrate success

Measuring Success



Measuring Success

VRS employs several measurement strategies:

- Audience surveys
- Pension benchmarking service

Measuring Success

Key highlights from survey of members, retirees and employers:

- Member satisfaction with VRS is high; will build upon that
- Internet is becoming more of a resource for customers, especially in regards to financial planning
- The VRS “brand” carries creditability with the audience; tread carefully not to violate that trust
- Retirees are open and interested in secure online accounts to view information
- Retirees want increased communication with VRS
- Employers believe VRS is honest and ethical
- Employers will rely upon VRS’ online tools more in the future

Measuring Success

Other customer surveys:

- Members receiving one-on-one retirement counseling
- Employers who attend employer forums
- Employers who attend Benefit Administrator Training
- Customers who email questions
- Members who attend member presentations

Measuring Success

CEM Benchmarking Service

- Compares measures of service and costs across public plans
- 11 large state plans in VRS peer group

Measuring Success

Virginia RS

"What gets measured, gets managed" - This report is a management tool. It can be used to:

Improve your customer service levels

- Learn from the best in the pension community
- Learn what others are doing that you are not

Better understand your business

- Managers: Step back and take stock in what you do
- Employees: Provides point of reference for service level

Measure and manage your performance

- Identify what is important
- Monitor your annual progress using an outside benchmark
- Serves as a catalyst for change

Communicate to stakeholders

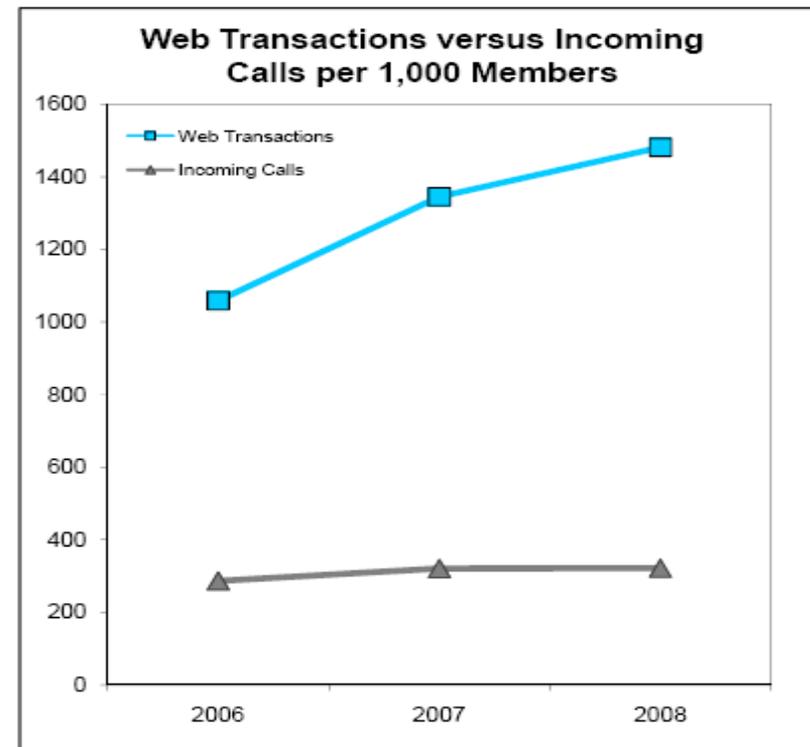
- Keeps operations “front & center”
- Demonstrate success & achievements to governing bodies
- Identify gaps in service to support requests for resources
- Show progress to employees to recognize success and motivate

Measuring Success

Virginia RS

Your lower transaction volumes partly reflect higher efficiency due to moving more of your transactions to the web.

Since 2006, your Web Transactions have been growing at a faster pace than your Incoming Calls. Your Web Transactions have increased by 18%, while your Incoming Calls have increased 6%.



Measuring Success

Virginia RS

Key Takeaways

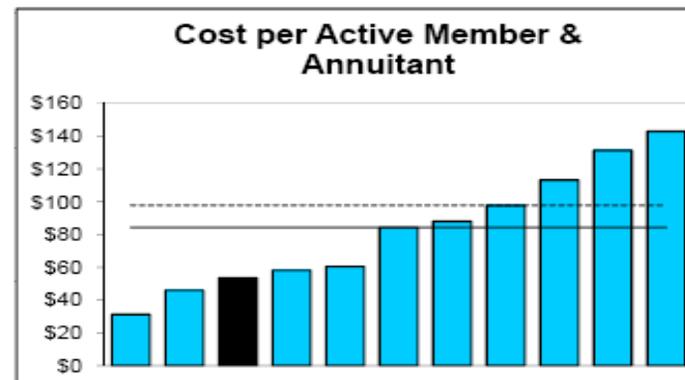
1. Your Total Service Score of 80 was above the peer median of 75.

- Your Total Service Score increased an average of 3.4 points per annum between 2007 and 2009, versus 1.3 points for your peers.
- You scored well in all key service measures.



2. Your Total Cost of \$53 per Active Member & Annuitant was below the peer median of \$84.

- Your Total Cost continues to be below-median despite rising Major Project expenditure.



Accountability

Virginia Retirement System Agency Operating Standards Fiscal Year 2010

		FY 2010	Status *
##	Abandoned Call rate is no greater than 5% when averaged 12 months.	3.41%	
##	100 % of monthly retirement payrolls run no later than the first	#####	
##	98% of cost letters processed with 95% accuracy within 30 days		
	<i>Number of Days</i>	11.8	
	<i>% of Cost Letters Processed</i>	#####	
	<i>Accuracy Rate</i>	#####	
##	Service Retirements processed in an average of 60 days with a 95% accuracy rate		
	<i>Number of Days</i>	22	
	<i>Accuracy Rate</i>	99.99%	
##	98% Disability Retirements processed within 40 days of		
	<i>% Processed</i>	99.52%	
	<i>Average Days to Process</i>	16	
	<i>Accuracy Rate</i>	#####	
##	95% of Refunds are processed within 60 days.		
	<i>% Processed</i>	99.93%	
	<i>Number of Days</i>	7.74	
##	90% of Estimates completed in 30 days or less.		
	<i>Number of Days</i>	14	
	<i>% of Estimates Complete</i>	94.52%	
##	placed on payroll without intervention to adjust service	99.75%	

Key



Meets



Caution



Does Not Meet

Agency Operating Standards

- Monthly measure of key business processes, customer delivery and operational functions
- Status updated monthly; accessed by employees via the intranet so everyone knows goals and works to the goals
- Standard for each key business process is suggested by administration; board reviews and approves
- Performance-based pay linked to standards

Thank you!



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