

**Voya Retirement Insurance and Annuity Company**  
**Variable Annuity Account B of Voya Retirement Insurance and Annuity Company**

**Deferred Variable Annuity Contract**

**VOYA MARATHON PLUS**

**May 1, 2016**

**The Contracts.** The contracts described in this prospectus are group or individual “Marathon Plus” deferred variable annuity contracts issued by Voya Retirement Insurance and Annuity Company (the “Company,” “we,” “us,” “our”). They are issued to you, the contract holder, as either a nonqualified deferred annuity; a qualified individual retirement annuity (“IRA”) under Section 408(b) of the Internal Revenue Code of 1986, as amended (“Tax Code”); a qualified Roth IRA under Section 408A of the Tax Code; or as a qualified contract for use with certain employer sponsored retirement plans. Prior to May 1, 1998, the contracts were available as tax-deferred annuities as described under Section 401(a) of the Tax Code. The contracts are not available as SIMPLE IRAs under Tax Code Section 408(p). We do not currently offer this contract for sale to new purchasers.

**Why Reading this Prospectus Is Important.** This prospectus contains facts about the contracts and their investment options that you should know before purchasing. This information will help you decide if the contracts are right for you. Please read this prospectus carefully.

**Investment Options.** The contracts offer variable investment options and fixed interest options. When we establish your account you instruct us to direct account dollars to any of the available options.

**Variable Investment Options.** These options are called subaccounts. The subaccounts are within Variable Annuity Account B (the “separate account”), a separate account of the Company. Each subaccount invests in one of the mutual funds listed on the next page. Earnings on amounts invested in a subaccount will vary depending upon the performance of its underlying fund. You do not invest directly in or hold shares of the funds.

**The Funds.** Information about the funds in which the subaccounts invest is located in **Appendix III – Description of Underlying Funds** and in each fund prospectus. A prospectus containing more information on each Underlying Fund may be obtained by calling Customer Service at 1-800-366-0066. You may also obtain a prospectus or SAI for any of the funds by calling that number. Read this prospectus in conjunction with the fund prospectuses, and retain the prospectuses for future reference. If you received a summary prospectus for any of the funds available through your contract, you may also obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the email address shown on the front of the fund’s summary prospectus.

**Getting Additional Information.** You may obtain free of charge the May 1, 2016, Statement of Additional Information (“SAI”) about the separate account by indicating your request on your application or calling us at 1-800-366-0066. You may also obtain free of charge the most recent annual and/or quarterly report of Voya Retirement Insurance and Annuity Company by calling us at that number. The Securities and Exchange Commission (“SEC”) also makes available to the public reports and information about the separate account and the funds. Certain reports and information, including this prospectus and SAI, are available on the EDGAR Database on the SEC website, [www.sec.gov](http://www.sec.gov), or at the SEC Public Reference Room in Washington, D.C. You may call 1-202-942-8090 or 1-800-SEC-0330 to get information about the operations of the Public Reference Room. You may obtain copies of reports and other information about the separate account and the funds, after paying a duplicating fee, by sending an email request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to the SEC Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549-0102. The SAI table of contents is listed in this prospectus. The SAI is incorporated into this prospectus by reference.

**Additional Disclosure Information.** Neither the SEC nor any state securities commission has approved or disapproved the securities offered through this prospectus or passed on the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. We do not intend for this prospectus to be an offer to sell or a solicitation of an offer to buy these securities in any state that does not permit their sale. We have not authorized anyone to provide you with information that is different than that contained in this prospectus.

### Fixed Interest Options.

- Voya Guaranteed Account (the “Guaranteed Account”)
- Fixed Account

Except as specifically mentioned, this prospectus describes only the investment options offered through the separate account. However, we describe the fixed interest options in appendices to this prospectus. There is also a separate Guaranteed Account prospectus. To obtain a copy, write to Customer Service at P.O. Box 9271, Des Moines, Iowa 50306-9271 or call 1-800 366-0066, or access the SEC’s website (www.sec.gov).

**Availability of Options.** Some funds or fixed interest options may be unavailable through your contract or in your state.

These contracts are not deposits with, obligations of or guaranteed by any bank, nor are they insured by the FDIC. The contracts are subject to investment risk, including the possible loss of the principal amount of your investment.

**We pay compensation to broker/dealers whose registered representatives sell the contract. See “Other Topics – Contract Distribution,” for further information about the amount of compensation we pay.**

## *Variable Investment Options*

The investment portfolios that comprise the subaccounts currently open and available to new premiums and transfers under your contract are:

Calvert VP SRI Balanced Portfolio	Voya Russell™ Large Cap Value Index Portfolio (Class S)
Fidelity® VIP Index 500 Portfolio (Class I)	Voya Small Company Portfolio (Class I)
Voya Balanced Portfolio (Class I)	Voya SmallCap Opportunities Portfolio (Class S)
Voya Global Bond Portfolio (Class I)	Voya Solution Moderately Aggressive Portfolio (Class S)
Voya Global Equity Portfolio (Class S)	Voya Strategic Allocation Conservative Portfolio (Class I) <sup>(1)</sup>
Voya Global Perspectives Portfolio (Class ADV) <sup>(1)</sup>	Voya Strategic Allocation Growth Portfolio (Class I) <sup>(1)</sup>
Voya Government Money Market Portfolio (Class I)	Voya Strategic Allocation Moderate Portfolio (Class I) <sup>(1)</sup>
Voya Growth and Income Portfolio (Class I)	VY® Baron Growth Portfolio (Class S)
Voya High Yield Portfolio (Class S)	VY® BlackRock Inflation Protected Bond Portfolio (Class S)
Voya Index Plus LargeCap Portfolio (Class I)	VY® FMR® Diversified Mid Cap Portfolio (Class I) <sup>(2)</sup>
Voya Intermediate Bond Portfolio (Class I)	VY® Franklin Income Portfolio (Class S)
Voya International Index Portfolio (Class I)	VY® Invesco Equity and Income Portfolio (Class I)
Voya Large Cap Growth Portfolio (Class I)	VY® JPMorgan Emerging Markets Equity Portfolio (Class I)
Voya Large Cap Value Portfolio (Class S)	VY® JPMorgan Small Cap Core Equity Portfolio (Class I)
Voya MidCap Opportunities Portfolio (Class S)	VY® Oppenheimer Global Portfolio (Class I)
Voya Retirement Conservative Portfolio (Class ADV) <sup>(1)</sup>	VY® Pioneer High Yield Portfolio (Class I)
Voya Retirement Growth Portfolio (Class ADV) <sup>(1)</sup>	VY® T. Rowe Price Capital Appreciation Portfolio (Class S)
Voya Retirement Moderate Growth Portfolio (Class ADV) <sup>(1)</sup>	VY® T. Rowe Price Diversified Mid Cap Growth Portfolio (Class I)
Voya Retirement Moderate Portfolio (Class ADV) <sup>(1)</sup>	VY® T. Rowe Price Growth Equity Portfolio (Class I)
Voya Russell™ Large Cap Growth Index Portfolio (Class I)	VY® Templeton Foreign Equity Portfolio (Class I)
Voya Russell™ Large Cap Index Portfolio (Class I)	

<sup>(1)</sup> These investment portfolios are offered in a “fund of funds” structure. See “Investment Options – Mutual Fund (Fund) Descriptions” and “Fees - Fund Expenses” for more information about these investment portfolios.

<sup>(2)</sup> FMR® is a registered service mark of Fidelity Management & Research Company. Used with permission.

More information can be found in the appendices. **Appendix III** highlights each portfolio’s investment objective and adviser (and any subadviser or consultant), as well as indicates recent portfolio changes. See “**Appendix IV**” for all subaccounts and valuation information. **If you received a summary prospectus for any of the underlying investment portfolios available through your contract, you may obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the contact information shown on the front of the portfolio's summary prospectus.**

## TABLE OF CONTENTS

	<u>Page</u>
CONTRACT OVERVIEW .....	1
CONTRACT PHASES .....	2
FEE TABLE .....	2
CONDENSED FINANCIAL INFORMATION .....	6
INVESTMENT OPTIONS .....	6
TRANSFERS AMONG INVESTMENT OPTIONS (EXCESSIVE TRADING POLICY) .....	7
PURCHASE AND RIGHTS .....	11
RIGHT TO CANCEL .....	13
FEEES .....	13
YOUR ACCOUNT VALUE .....	19
WITHDRAWALS .....	20
SYSTEMATIC DISTRIBUTION OPTIONS .....	21
DEATH BENEFIT .....	22
THE INCOME PHASE .....	25
FEDERAL TAX CONSIDERATIONS .....	28
OTHER TOPICS .....	37
STATEMENT OF ADDITIONAL INFORMATION .....	42
APPENDIX I – Voya Guaranteed Account .....	I-1
APPENDIX II – Fixed Account .....	II-1
APPENDIX III – Description of Underlying Funds .....	III-1
APPENDIX IV – Condensed Financial Information .....	IV-1

## CONTRACT OVERVIEW

The following is intended as a summary. Please read each section of this prospectus for additional detail.

**Questions: Contacting the Company.** To answer your questions, contact your sales representative or write or call Customer Service at:

Customer Service  
P.O. Box 9271  
Des Moines, IA 50306-9271  
1-800-366-0066

**Sending Forms and Written Requests in Good Order.** If you are writing to change your beneficiary, request a withdrawal or for any other purpose, contact us or your sales representative to learn what information is required for the request to be in “good order.” We can only act upon requests that are received in good order.

Generally, a request is considered to be in “good order” when it is signed, dated and made with such clarity and completeness that we are not required to exercise any discretion in carrying it out.

**Sending Additional Purchase Payments.** Use the following addresses when sending additional purchase payments.

*If using the U.S. Postal Service:*  
Customer Service  
P.O. Box 9271  
Des Moines, IA 50306-9271

*If using express mail:*  
Customer Service  
909 Locust Street  
Des Moines, IA 50309-2899

Express mail packages should not be sent to the P.O. Box address.

### **Contract Design:**

The contract described in this prospectus is a group or individual deferred variable annuity contract. It is intended to be a retirement savings vehicle that offers a variety of investment options to help meet long-term financial goals. The term “contract” in this prospectus refers to individual contracts and to certificates issued under group contracts.

### **Contract Facts:**

**Free Look/Right to Cancel.** You may cancel your contract within ten days (some states require more than ten days) of receipt. See “**Right To Cancel.**”

**Death Benefit.** Your beneficiary may receive a financial benefit in the event of your death prior to the income phase (described in “**CONTRACT PHASES,**” below). Any death benefit during the income phase will depend upon the income phase payment option selected. See “**Death Benefit**” and “**The Income Phase.**”

**Withdrawals.** During the accumulation phase you may withdraw all or part of your account value. Certain fees, taxes and early withdrawal penalties may apply. In addition, the Tax Code restricts full and partial withdrawals in some circumstances. See “**Withdrawals.**” Amounts withdrawn from the Guaranteed Account may be subject to a market value adjustment. See “**Appendix I.**”

**Systematic Distribution Options.** These are made available for you to receive periodic withdrawals from your account, while retaining the account in the accumulation phase. See “**Systematic Distribution Options.**”

**Fees and Expenses.** Certain fees and expenses are deducted from the value of your contract. See “**Fee Table**” and “**Fees.**”

**Taxation.** You will generally not pay taxes on any earnings from the annuity contract described in this prospectus until they are withdrawn. Tax-qualified retirement arrangements (e.g., IRAs, 401(a) and 457 plans) also defer payment of taxes on earnings until they are withdrawn. If you are considering funding a tax-qualified retirement arrangement with an annuity contract, you should know that the annuity contract does not provide any additional tax deferral of earnings beyond the tax deferral provided by the tax-qualified retirement arrangement. However, annuities do provide other features and benefits which may be valuable to you. You should discuss your decision with your financial representative.

Taxes will generally be due when you receive a distribution. Tax penalties may apply in some circumstances. See “**Federal Tax Considerations.**”

**Use of an Annuity Contract in an IRA or other Qualified Plan.** Under the federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in the case of an Individual Retirement Account or other qualified retirement account, an annuity contract is not necessary to obtain this favorable tax treatment. However, annuities do provide other features and benefits (such as the guaranteed death benefit or the option of lifetime income phase options at established rates) which may be valuable to you. You should discuss your alternatives with your sales representative taking into account the additional fees and expenses you may incur in an annuity. See “**Purchase and Rights.**”

## CONTRACT PHASES

### I. The Accumulation Phase (accumulating dollars under your contract)

**STEP 1:** You provide us with your completed application and initial purchase payment. We establish an account for you and credit that account with your initial purchase payment. If you elected the premium bonus option we will also credit your account with a premium bonus.

**STEP 2:** You direct us to invest your purchase payment and the premium bonus, if applicable, in one or more of the following investment options:

- Fixed Interest Options; or
- Variable Investment Options. (The variable investment options are the subaccounts of Variable Annuity Account B. Each one invests in a specific mutual fund.)

**STEP 3:** Each subaccount you select purchases shares of its assigned fund.

### II. The Income Phase (receiving income phase payments from your contract)

When you want to begin receiving payments from your contract you may select from the options available. The contract offers several income phase payment options (see “**The Income Phase**”). In general, you may:

- Receive income phase payments for a specified period of time or for life;
- Receive income phase payments monthly, quarterly, semi-annually or annually;
- Select an income phase payment option that provides for payments to your beneficiary; or
- Select income phase payments that are fixed or vary depending upon the performance of the variable investment options you select.

## FEE TABLE

The following tables describe the fees and expenses that you will pay when buying, owning, and surrendering the contract. The first table describes the fees and expenses that you will pay at the time that you buy the contract, surrender the contract, or transfer contract value between investment options. State premium taxes may also be deducted. See “**The Income Phase**” for the different fees that may apply after you begin receiving payments under the contract.

**Maximum Transaction Fees:**

**Early Withdrawal Charge**

(As a percentage of payments withdrawn.)

<b>Contracts Issued Outside of the State of New York</b>	
<b>Contracts Other Than Roth IRA Contracts:</b>	
<b>Years from Receipt of Purchase Payment</b>	<b>Early Withdrawal Charge</b>
Less than 2	7%
2 or more but less than 4	6%
4 or more but less than 5	5%
5 or more but less than 6	4%
6 or more but less than 7	3%
7 or more	0%
<b>Roth IRA Contracts<sup>1</sup></b>	
<b>Completed Account Years</b>	<b>Early Withdrawal Charge</b>
Less than 1	5%
1 or more but less than 2	4%
2 or more but less than 3	3%
3 or more but less than 4	2%
4 or more but less than 5	1%
5 or more	0%

<sup>1</sup> If the purchase payment is a rollover from another contract issued by us or one of our affiliates and the early withdrawal charge was waived, the early withdrawal charge will be based on the number of completed account years since the date of the initial payment to the former contract.

<b>Contracts Issued in the State of New York:</b>	
<b>Years from Receipt of Purchase Payment</b>	<b>Early Withdrawal Charge</b>
Less than 1	7%
1 or more but less than 2	6%
2 or more but less than 3	5%
3 or more but less than 4	4%
4 or more but less than 5	3%
5 or more but less than 6	2%
6 or more but less than 7	1%
7 or more	0%

<b>Annual Maintenance Fee</b> .....	\$30.00 <sup>2</sup>
<b>Transfer Charge</b> .....	\$ 0.00 <sup>3</sup>
<b>Overnight Charge</b> .....	\$20.00 <sup>4</sup>

<sup>2</sup> The annual maintenance fee will be waived if your account value is \$50,000 or greater on the date this fee is due. See “Fees – Transaction Fees – Annual Maintenance Fee.”

<sup>3</sup> During the accumulation phase we currently allow you 12 free transfers each calendar year. We reserve the right to charge \$10 for each additional transfer. We currently do not impose this charge.

<sup>4</sup> You may choose to have this charge deducted from the amount of a withdrawal you would like sent to you by overnight delivery.

The next table describes the fees and expenses that you will pay periodically during the time that you own the contract, not including fund fees and expenses.

## Fees Deducted from Investments in the Separate Account

### Amount During the Accumulation Phase.

(Daily deductions, equal to the following percentages on an annual basis, from amounts invested in the subaccounts.)

#### Contracts Issued Outside of the State of New York

- Other than Roth IRA Contracts Issued before May 1, 1998
 

Mortality and Expense Risk Charge	1.25% <sup>5</sup>
Administrative Expense Charge	<u>0.15%</u>
Total Separate Account Expenses	1.40%
  
- Roth IRA Contracts and Contracts Issued on or after May 1, 1998
 

Mortality and Expense Risk Charge	1.10% <sup>5</sup>
Administrative Expense Charge	<u>0.15%</u>
Total Separate Account Expenses	1.25%

#### Contracts Issued in New York

- All Contracts
 

Mortality and Expense Risk Charge	1.25% <sup>5</sup>
Administrative Expense Charge	<u>0.15%</u>
Total Separate Account Expenses	1.40%

### Amount During the Income Phase.

(Daily deductions, equal to the following percentages on an annual basis, from amounts invested in the subaccounts.)

- All Contracts
 

Mortality and Expense Risk Charge	1.25% <sup>5</sup>
Administrative Expense Charge	<u>0.00% - 0.25%</u> <sup>6</sup>
Total Separate Account Expenses	1.25% - 1.50%

<sup>5</sup> Under certain contracts the mortality and expense risk charge during the accumulation period may be reduced. See “Fees – Fees Deducted from Investments in the Separate Account - Mortality and Expense Risk Charge.”

<sup>6</sup> We currently do not deduct an administrative expense charge during the income phase; however, we reserve the right to deduct the daily charge of not more than 0.25% per year. See “The Income Phase – Charges Deducted.”

## Fees Deducted by the Funds

The next item shows the minimum and maximum total operating expenses charged by the funds that you may pay periodically during the time that you own the contract. The minimum and maximum expenses listed below are based on expenses for the funds’ most recent fiscal year ends without taking into account any fee waiver or expense reimbursement arrangements that may apply. Expenses of the funds may be higher or lower in the future. More detail concerning each fund’s fees and expenses is contained in the prospectus for each fund.

Total Annual Fund Operating Expenses	Minimum	Maximum
(expenses that are deducted from fund assets, including management fees, distribution and/or service (12b-1) fees, and other expenses):	0.10%	1.44%

## Examples

These examples are intended to help you compare the costs of investing in the contract with the cost of investing in other variable annuity contracts. These costs include contract owner transaction expenses, applicable to each type of contract, contract fees, separate account annual expenses, and fund fees and expenses. The examples assume that you invest \$10,000 in the contract for the time periods indicated. The examples also assume that your investment has a 5% return each year and assumes the maximum fees and expenses of the contracts and of any of the funds without taking into account any fee waiver or expense reimbursement arrangements that may apply.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

### For Contracts Other Than Roth IRA Contract Issued Outside of the State of New York

Example 1) If you withdraw your entire account value at the end of the applicable time period:				
1 year	3 years	5 years	10 years	
\$974	\$1,440	\$1,932	\$3,034	
Example 2) If you do not withdraw your entire account value or if you select an income phase payment option at the end of the applicable time period:*				
1 year	3 years	5 years	10 years	
\$274	\$840	\$1,432	\$3,034	

\* This example does not apply during the income phase if you selected a nonlifetime income phase payment option with variable payments and take a lump-sum withdrawal after payments start. In this case the lump-sum payment is treated as a withdrawal during the accumulation phase and may be subject to an early withdrawal charge (refer to Example 1).

### For Contracts Issued In the State of New York

Example 1) If you withdraw your entire account value at the end of the applicable time period:				
1 year	3 years	5 years	10 years	
\$988	\$1,383	\$1,804	\$3,174	
Example 2) If you do not withdraw your entire account value or if you select an income phase payment option at the end of the applicable time period:*				
1 year	3 years	5 years	10 years	
\$288	\$883	\$1,504	\$3,174	

\* This example does not apply during the income phase if you selected a nonlifetime income phase payment option with variable payments and take a lump-sum withdrawal after payments start. In this case the lump-sum payment is treated as a withdrawal during the accumulation phase and may be subject to an early withdrawal charge (refer to Example 1).

**Fund Fee Information.** The fund prospectuses show the investment advisory fees, 12b-1 fees and other expenses including service fees (if applicable) charged annually by each fund. Fund fees are one factor that impacts the value of a fund share. Please refer to the fund prospectuses for more information and to learn more about additional factors.

The Company may receive compensation from each of the funds or the funds' affiliates based on an annual percentage of the average net assets held in that fund by the Company. The percentage paid may vary from one fund company to another. For certain funds, some of this compensation may be paid out of 12b-1 fees or service fees that are deducted from fund assets. Any such fees deducted from fund assets are disclosed in the fund prospectuses. The Company may also receive additional compensation from certain funds for administrative, recordkeeping or other services provided by the Company to the funds or the funds' affiliates. These additional payments may also be used by the Company to finance distribution. These additional payments are made by the funds or the funds' affiliates to the Company and do not increase, directly or indirectly, the fund fees and expenses. Please see "**Fees – Fund Expenses**" for more information.

In the case of fund companies affiliated with the Company, where an affiliated investment adviser employs subadvisers to manage the funds, no direct payments are made to the Company or the affiliated investment adviser by the subadvisers. Subadvisers may provide reimbursement for employees of the Company or its affiliates to attend business meetings or training conferences. Investment management fees are apportioned between the affiliated investment adviser and subadviser. This apportionment varies by subadviser, resulting in varying amounts of revenue retained by the affiliated investment adviser. This apportionment of the investment advisory fee does not increase, directly or indirectly, fund fees and expenses. Please see “**Fees – Fund Expenses**” for more information.

**How Fees are Deducted.** Fees are deducted from the value of the fund shares on a daily basis, which in turn affects the value of each subaccount that purchases fund shares.

## CONDENSED FINANCIAL INFORMATION

**Understanding Condensed Financial Information.** In **Appendix IV** of this prospectus, we provide condensed financial information about the Variable Annuity Account B subaccounts you may invest in through the contract. The numbers show the year-end unit values of each subaccount from the time purchase payments were first received in the subaccounts under the contract.

### Financial Statements

The statements of assets and liabilities, the statements of operations, the statements of changes in net assets and the related notes to financial statements for Variable Annuity Account B and the consolidated financial statements and the related notes to consolidated financial statements for Voya Retirement Insurance and Annuity Company are located in the Statement of Additional Information.

## INVESTMENT OPTIONS

The contract offers variable investment options and fixed interest options.

**Variable Investment Options.** These options are called subaccounts. The subaccounts are within Variable Annuity Account B (the “separate account”), a separate account of the Company. Each subaccount invests in a specific mutual fund. You do not invest directly in or hold shares of the funds.

- **Mutual Fund (Fund) Descriptions:** We provide brief descriptions of the funds in **Appendix III**. Investment results of the funds are likely to differ significantly and there is no assurance that any of the funds will achieve their respective investment objectives. Shares of the funds will rise and fall in value and you could lose money by investing in the funds. Shares of the funds are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, the Federal Deposit Insurance Corporation or any other government agency. Unless otherwise noted, all funds are diversified as defined under the Investment Company Act of 1940. Refer to the fund prospectuses for additional information. Fund prospectuses may be obtained, free of charge, from Customer Service at the address and phone number listed in “Contract Overview – Questions: Contacting the Company,” by accessing the SEC’s website or by contacting the SEC Public Reference Room. If you received a summary prospectus for any of the funds available through your contract, you may also obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the contact information shown on the front of the fund’s summary prospectus.

Certain funds offered in a “fund of funds” structure may have higher fees and expenses than a fund that invests directly in debt and equity securities.

**Fixed Interest Options.** If available in your state, the fixed interest option is the Voya Guaranteed Account (the “Guaranteed Account”) or the Fixed Account. The Guaranteed Account offers certain guaranteed minimum interest rates for a stated period of time. Amounts must remain in the Guaranteed Account for specific periods to receive the quoted interest rates, or a market value adjustment will be applied. The market value adjustment may be positive or negative. The Fixed Account guarantees payment of the minimum interest rate specified in the contract. The Fixed Account is only available in certain states. For a description of these options, see “Appendices I and II” and the Guaranteed Account prospectus.

## Selecting Investment Options

- **Choose options appropriate for you.** Your sales representative can help you evaluate which investment options may be appropriate for your individual circumstances and your financial goals, investment time horizon and risk tolerance. You should periodically review these factors to determine if you need to change your investment strategy.
- **Understand the risks associated with the options you choose.** Some subaccounts invest in funds that are considered riskier than others. Funds with additional risks are expected to have values that rise and fall more rapidly and to a greater degree than other funds. For example, funds investing in foreign or international securities are subject to risks not associated with domestic investments, and their investment performance may vary accordingly. Also, funds using derivatives in their investment strategy may be subject to additional risks. Because investment risk is borne by you, you should carefully consider any decisions that you make regarding investment allocations. You bear the risk of any decline in your account value resulting from the performance of the funds you have chosen.
- **Be informed.** Read this prospectus, all of the information that is available to you regarding the funds—including each fund’s prospectus, statement of additional information, and annual and semi-annual reports, Fixed Account appendices and the Guaranteed Account prospectus. After you select the options for your account dollars, you should monitor and periodically re-evaluate your allocations to determine if they are still appropriate.

**Limits on Availability of Options.** Some funds or fixed interest options may be unavailable through your contract or in your state. We may add, withdraw or substitute funds, subject to the conditions in your contract and compliance with regulatory requirements. In the case of a substitution, the new fund may have different fees and charges than the fund it replaced.

**Limits on How Many Investment Options You May Select.** Although there is currently no limit, we reserve the right to limit the number of investment options you may select at any one time or during the life of the contract. For purposes of determining any limit, each subaccount and each guaranteed term of the Guaranteed Account, or an investment in the Fixed Account in certain contracts where the Guaranteed Account is not available, will be considered an option.

**Additional Risks of Investing in the Funds (Mixed and Shared Funding).** “Shared funding” occurs when shares of a fund, which the subaccounts buy for variable annuity contracts, are also bought by other insurance companies for their variable annuity contracts.

“Mixed funding” occurs when shares of a fund, which the subaccounts buy for variable annuity contracts, are bought for variable life insurance contracts issued by us or other insurance companies.

- Shared – bought by more than one company
- Mixed – bought for annuities and life insurance

It is possible that a conflict of interest may arise due to mixed and/or shared funding, which could adversely impact the value of a fund. For example, if a conflict of interest occurred and one of the subaccounts withdrew its investment in a fund, the fund may be forced to sell its securities at disadvantageous prices, causing its share value to decrease. Each fund’s Board of Directors or Trustees will monitor events to identify any conflicts which may arise and to determine what action, if any, should be taken to address such conflicts.

## TRANSFERS AMONG INVESTMENT OPTIONS (EXCESSIVE TRADING POLICY)

You may transfer amounts among the available subaccounts. During the accumulation phase we allow you 12 free transfers each calendar year. We reserve the right to charge \$10 for each additional transfer. We currently do not impose this charge. During the income phase, if approved in your state, transfers are limited to four per year and allowed only if you select variable payments.

Transfers from the Guaranteed Account are subject to certain restrictions and may be subject to a market value adjustment. Transfers from the Fixed Account are subject to certain restrictions, and transfers into the Fixed Account from any of the other investment options are not allowed. Transfers must be made in accordance with the terms of your contract.

**Transfer Requests.** Requests may be made in writing, by telephone or, where applicable, electronically.

### **Limits on Frequent or Disruptive Transfers**

The contract is not designed to serve as a vehicle for frequent transfers. Frequent transfer activity can disrupt management of a fund and raise its expenses through:

- Increased trading and transaction costs;
- Forced and unplanned portfolio turnover;
- Lost opportunity costs; and
- Large asset swings that decrease the fund's ability to provide maximum investment return to all contract owners.

This in turn can have an adverse effect on fund performance. **Accordingly, individuals or organizations that use market-timing investment strategies or make frequent transfers should be aware that:**

- **We suspend the Electronic Trading Privileges, as defined below, of any individual or organization if we determine, in our sole discretion, that the individual's or organization's transfer activity is disruptive or not in the best interest of other owners of our variable insurance and retirement products, or the participant's in such products; and**
- **Each underlying fund may limit or restrict fund purchases and we will implement any limitation or restriction on transfers to an underlying fund as directed by that underlying fund.**

**Consequently, individuals or organizations that use market-timing investment strategies or make frequent transfers should not purchase or participate in the contract.**

**Excessive Trading Policy.** We and the other members of the Voya<sup>®</sup> family of companies that provide multi-fund variable insurance and retirement products, have adopted a common Excessive Trading Policy to respond to the demands of the various fund families that make their funds available through our products to restrict excessive fund trading activity and to ensure compliance with Rule 22c-2 of the 1940 Act.

We actively monitor fund transfer and reallocation activity within our variable insurance products to identify violations of our Excessive Trading Policy. Our Excessive Trading Policy is violated if fund transfer and reallocation activity:

- Meets or exceeds our current definition of Excessive Trading, as defined below; or
- Is determined, in our sole discretion, to be disruptive or not in the best interests of other owners of our variable insurance and retirement products.

We currently define Excessive Trading as:

- More than one purchase and sale of the same fund (including money market funds) within a 60 calendar day period (hereinafter, a purchase and sale of the same fund is referred to as a "round-trip"). This means two or more round-trips involving the same fund within a 60 calendar day period would meet our definition of Excessive Trading; or
- Six round-trips involving the same fund within a twelve month period.

The following transactions are excluded when determining whether trading activity is excessive:

- Purchases or sales of shares related to non-fund transfers (for example, new purchase payments, withdrawals and loans);
- Transfers associated with scheduled dollar cost averaging, scheduled rebalancing or scheduled asset allocation programs;
- Purchases and sales of fund shares in the amount of \$5,000 or less;
- Purchases and sales of funds that affirmatively permit short-term trading in their fund shares, and movement between such funds and a money market fund; and
- Transactions initiated by us, another member of the Voya family of insurance companies or a fund.

If we determine that an individual or entity has made a purchase of a fund within 60 days of a prior round-trip involving the same fund, we will send them a letter warning that another sale of that same fund within 60 days of the beginning of the prior round-trip will be deemed to be Excessive Trading and result in a six month suspension of their ability to initiate fund transfers or reallocations through the Internet, facsimile, Voice Response Unit (VRU), telephone calls to Customer Service, or other electronic trading medium that we may make available from time to time (“Electronic Trading Privileges”). Likewise, if we determine that an individual or entity has made five round-trips involving the same fund within a rolling twelve month period, we will send them a letter warning that another purchase and sale of that same fund within twelve months of the initial purchase in the first round-trip in the prior twelve month period will be deemed to be Excessive Trading and result in a suspension of their Electronic Trading Privileges. According to the needs of the various business units, a copy of the warning letters may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative or investment adviser for that individual or entity. A copy of the warning letters and details of the individual’s or entity’s trading activity may also be sent to the fund whose shares were involved in the trading activity.

If we determine that an individual or entity has violated our Excessive Trading Policy, we will send them a letter stating that their Electronic Trading Privileges have been suspended for a period of six months. Consequently, all fund transfers or reallocations, not just those which involve the fund whose shares were involved in the activity that violated our Excessive Trading Policy, will then have to be initiated by providing written instructions to us via regular U.S. mail. Suspension of Electronic Trading Privileges may also extend to products other than the product through which the Excessive Trading activity occurred. During the six month suspension period, electronic “inquiry only” privileges will be permitted where and when possible. A copy of the letter restricting future transfer and reallocation activity to regular U.S. mail and details of the individual’s or entity’s trading activity may also be sent, as applicable, to the person(s) or entity authorized to initiate fund transfers or reallocations, the agent/registered representative or investment adviser for that individual or entity and the fund whose shares were involved in the activity that violated our Excessive Trading Policy.

Following the six month suspension period during which no additional violations of our Excessive Trading Policy are identified, Electronic Trading Privileges may again be restored. We will continue to monitor the fund transfer and reallocation activity, and any future violations of our Excessive Trading Policy will result in an indefinite suspension of Electronic Trading Privileges. A violation of our Excessive Trading Policy during the six month suspension period will also result in an indefinite suspension of Electronic Trading Privileges.

We reserve the right to suspend Electronic Trading Privileges with respect to any individual or entity, with or without prior notice, if we determine, in our sole discretion, that the individual’s or entity’s trading activity is disruptive or not in the best interests of other owners of our variable insurance products, regardless of whether the individual’s or entity’s trading activity falls within the definition of Excessive Trading set forth above.

Our failure to send or an individual’s or entity’s failure to receive any warning letter or other notice contemplated under our Excessive Trading Policy will not prevent us from suspending that individual’s or entity’s Electronic Trading Privileges or taking any other action provided for in our Excessive Trading Policy.

We do not allow exceptions to our Excessive Trading Policy. We reserve the right to modify our Excessive Trading Policy, or the policy as it relates to a particular fund, at any time without prior notice, depending on, among other factors, the needs of the underlying fund(s), the best interests of contract owners and fund investors and/or state or federal regulatory requirements. If we modify our policy, it will be applied uniformly to all contract owners or, as applicable, to all contract owners investing in the underlying fund.

Our Excessive Trading Policy may not be completely successful in preventing market timing or excessive trading activity. If it is not completely successful, fund performance and management may be adversely affected, as noted above.

**Limits Imposed by the Underlying Funds.** Each underlying fund available through the variable insurance and retirement products offered by us and/or the other members of the Voya family of insurance companies, either by prospectus or stated contract, has adopted or may adopt its own excessive/frequent trading policy, and orders for the purchase of fund shares are subject to acceptance or rejection by the underlying fund. We reserve the right, without prior notice, to implement fund purchase restrictions and/or limitations on an individual or entity that the fund has identified as violating its excessive/frequent trading policy and to reject any allocation or transfer request to a subaccount if the corresponding fund will not accept the allocation or transfer for any reason. All such restrictions and/or limitations (which may include, but are not limited to, suspension of Electronic Trading Privileges and/or blocking of future purchases of a fund or all funds within a fund family) will be done in accordance with the directions we receive from the fund.

**Agreements to Share Information with Fund Companies.** As required by Rule 22c-2 under the 1940 Act, we have entered into information sharing agreements with each of the fund companies whose funds are offered through the contract. Contract owner trading information is shared under these agreements as necessary for the fund companies to monitor fund trading and our implementation of our Excessive Trading Policy. Under these agreements, the company is required to share information regarding contract owner transactions, including but not limited to information regarding fund transfers initiated by you. In addition to information about contract owner transactions, this information may include personal contract owner information, including names and social security numbers or other tax identification numbers.

As a result of this information sharing, a fund company may direct us to restrict a contract owner's transactions if the fund determines that the contract owner has violated the fund's excessive/frequent trading policy. This could include the fund directing us to reject any allocations of premium or contract value to the fund or all funds within the fund family.

**Value of Your Transferred Dollars.** The value of amounts transferred into or out of subaccounts will be based on the subaccount unit values next determined after we receive your transfer request in good order at Customer Service or, if you are participating in the dollar cost averaging or account rebalancing programs, after your scheduled transfer or reallocation.

**Telephone and Electronic Transactions: Security Measures.** To prevent fraudulent use of telephone and electronic transactions (including, but not limited to, internet transactions), we have established security procedures. These may include recording calls on our toll-free telephone lines and requiring use of a unique identifier or personal password. You are responsible for keeping your unique identifier or personal password and account information confidential. Please be advised that the risk of a fraudulent transaction is increased with telephone or electronic transactions (for example, a facsimile withdrawal request form), even if appropriate identifying information is provided. If we fail to follow reasonable security procedures, we may be liable for losses due to unauthorized or fraudulent telephone or other electronic transactions. We are not liable for losses resulting from telephone or electronic instructions we believe to be genuine. If a loss occurs when we rely on such instructions, you will bear the loss.

**The Dollar Cost Averaging Program.** Dollar cost averaging is an investment strategy whereby you purchase fixed dollar amounts of an investment at regular intervals, regardless of price. Under this program a fixed dollar amount is automatically transferred from certain subaccounts, the Guaranteed Account or Fixed Account to any of the other subaccounts. A market value adjustment will not be applied to dollar cost averaging transfers from a guaranteed term of the Guaranteed Account during participation in the dollar cost averaging program. If such participation is discontinued, we will automatically transfer the remaining balance in that guaranteed term to another guaranteed term of the same duration, unless you initiate a transfer into another investment option. In either case a market value adjustment will apply. See "**Appendix III**" for more information about dollar cost averaging from the Guaranteed Account. If dollar cost averaging is stopped with respect to amounts invested in the Fixed Account, the remaining balance will be transferred to the money market subaccount.

Dollar cost averaging neither ensures a profit nor guarantees against loss in a declining market. You should consider your financial ability to continue purchases through periods of low price levels. There is no additional charge for this program and transfers made under this program do not count as transfers when determining the number of free transfers that may be made each calendar year. For additional information about this program, contact your sales representative or call us at the number listed in "**CONTRACT OVERVIEW – Questions: Contacting the Company.**" The Company may change or discontinue the dollar cost averaging program at any time.

In certain states purchase payments allocated to the Fixed Account may require participation in the dollar cost averaging program.

**The Account Rebalancing Program.** Account rebalancing allows you to reallocate your account value to match the investment allocations you originally selected. Only account values invested in the subaccounts may be rebalanced. We automatically reallocate your account value annually (or more frequently as we allow). Account rebalancing neither ensures a profit nor guarantees against loss in a declining market. There is no additional charge for this program and transfers made under this program do not count as transfers when determining the number of free transfers that may be made each account year. You may participate in this program by completing the account rebalancing section of your application or by contacting us at the address and/or number listed in "**CONTRACT OVERVIEW - Questions: Contacting the Company.**"

## PURCHASE AND RIGHTS

**How to Purchase:** Please note that this contract is no longer available for purchase, although you may continue to make purchase payments under existing contracts. We and our affiliates offer various other products with different features and terms than these contracts that may offer some or all of the same funds. These products have different benefits, fees and charges, and may offer different share classes of the funds offered in this contract that are less expensive. These other products may or may not better match your needs. You should be aware that there are alternative options available, and, if you are interested in learning more about these other products, contact your registered representative.

- **Individual Contracts.** In some states, where group contracts are not available, you may purchase the contract directly from us by completing an application and delivering it and your initial purchase payment to us. Upon our approval we will issue you a contract and set up an account for you under the contract.
- **Group Contracts.** In most states we have distributors, usually broker-dealers or banks, who hold the contract as a group contract (see “**Other Topics – Contract Distribution**”). You may purchase an interest (or, in other words, participate) in the group contract by contacting a distributor and completing an application and delivering it with your initial purchase payment to that distributor. Upon our approval, we will set up an account for you under the group contract and issue you a certificate showing your rights under the contract.
- **Joint Contracts (generally spouses).** For a nonqualified contract, you may participate in a group contract as a joint contract holder. References to “contract holder” in this prospectus mean both contract holders under joint contracts. Tax law prohibits the purchase of qualified contracts by joint contract holders.

**Factors to Consider in the Purchase Decision.** You should discuss your decision to purchase a contract with your sales representative. You should understand the investment options it provides, its other features, the risks and potential benefits it includes, and the fees and expenses you will incur. You should take note of the following issues, among others:

1. **Long-Term Investment** – This contract is designed for people seeking long-term tax-deferred accumulation of assets, generally for retirement or other long-term purposes. Early withdrawals may cause you to incur surrender charges and/or tax penalties. The value of deferred taxation on earnings grows with the amount of time funds are left in the contract. You should not buy this contract if you are looking for a short-term investment or expect to need to make withdrawals before you are 59½.
2. **Investment Risk** – The value of investment options available under this contract may fluctuate with the markets and interest rates. You should not buy this contract in order to invest in these options if you cannot risk getting back less money than you put in.
3. **Features and Fees** – The fees for this contract reflect costs associated with the features and benefits it provides. In some cases, you have the option to elect certain benefits that carry additional charges. As you consider this contract, you should determine the value that these various benefits and features have for you, taking into account the charges for those features.
4. **Exchanges** – If this contract will be a replacement for another annuity contract, you should compare the two contracts carefully. You should consider whether any additional benefits under this contract justify any increased charges that might apply. Also, be sure to talk to your sales representative or tax and/or legal adviser to make sure that the exchange will be handled so that it is tax-free.

**Maximum Issue Age.** The maximum issue age for you and the annuitant (if you are not the annuitant) on the date we establish your account is 90 (age 85 for those contracts issued in New York and Pennsylvania).

### Your Rights Under the Contract

- **Individual Contracts.** You have all contract rights.
- **Group Contracts.** The holder of the group contract has title to the contract and, generally, only the right to accept or reject any modifications to the contract. You have all other rights to your account under the contract.
- **Joint Contracts.** Joint contract holders have equal rights under the contract with respect to their account. All rights under the contract must be exercised by both joint contract holders with the exception of transfers among investment options. See the “**Death Benefit**” section for the rights of the surviving joint contract holder upon the death of a joint contract holder prior to the income phase start date.

**Purchase Payment Methods.** The following purchase payment methods are allowed:

- One lump sum;
- Periodic payments; or
- Transfer or rollover from a pre-existing retirement plan or account.\*

We reserve the right to reject any payments to a prospective or existing account without advance notice.

\* In some states an IRA contract can only accept a lump-sum, rollover payment.

**Purchase Payment Amounts.**

The minimum initial purchase payment amounts are as follows:

	<b>Nonqualified</b>	<b>Qualified</b>
<b>Minimum Initial Purchase Payment</b>	\$5,000	\$1,500

Additional purchase payments must be at least \$1,000 (we may change this amount from time to time). A purchase payment of more than \$1,500,000 will be allowed only with our consent.

**Acceptance or Rejection of Your Application.** We must accept or reject your application within two business days of receipt. If the application is incomplete, we may hold any forms and accompanying purchase payment(s) for five business days. We may hold purchase payments for longer periods, pending acceptance of the application, only with your permission. If the application is rejected, the application and any purchase payments will be returned to you.

**Anti-Money Laundering.** In order to protect against the possible misuse of our products in money laundering or terrorist financing, we have adopted an anti-money laundering program satisfying the requirements of the USA PATRIOT Act and other current anti-money laundering laws. Among other things, this program requires us, our agents and customers to comply with certain procedures and standards that serve to assure that our customers' identities are properly verified and that premiums and loan repayments are not derived from improper sources.

Under our anti-money laundering program, we may require policy owners, insured persons and/or beneficiaries to provide sufficient evidence of identification, and we reserve the right to verify any information provided to us by accessing information databases maintained internally or by outside firms.

We may also refuse to accept certain forms of premium payments or loan repayments (traveler's cheques, cashier's checks, bank drafts, bank checks and treasurer's checks, for example) or restrict the amount of certain forms of premium payments or loan repayments (money orders totaling more than \$5,000.00, for example). In addition, we may require information as to why a particular form of payment was used (third party checks, for example) and the source of the funds of such payment in order to determine whether or not we will accept it. Use of an unacceptable form of payment may result in us returning the payment and not issuing the Contract.

**Applicable laws designed to prevent terrorist financing and money laundering might, in certain circumstances, require us to block certain transactions until authorization is received from the appropriate regulator. We may also be required to provide additional information about you and your policy to government regulators.**

Our anti-money laundering program is subject to change without notice to take account of changes in applicable laws or regulations and our ongoing assessment of our exposure to illegal activity.

**Unclaimed Property.** Every state has some form of unclaimed property laws that impose varying legal and practical obligations on insurers and, indirectly, on contract owners, insureds, beneficiaries and other payees of proceeds. Unclaimed property laws generally provide for escheatment to the state of unclaimed proceeds under various circumstances.

Participants in the group contract and individual contract holders are urged to keep their own, as well as their beneficiaries' and other payees', information up to date, including full names, postal and electronic media addresses, telephone numbers, dates of birth, and Social Security numbers. Such updates should be communicated to our Service Center in writing at the addresses provided in **"CONTRACT OVERVIEW—Questions: Contacting the Company"** or by calling 1-800-584-6001.

**Cyber Security.** Like others in our industry, we are subject to operational and information security risks resulting from "cyber-attacks", "hacking" or similar illegal or unauthorized intrusions into computer systems and networks. These risks include, among other things, the theft, misuse, corruption and destruction of data maintained online or digitally, denial of service attacks on websites and other operational disruption and unauthorized release of confidential customer information. Although we seek to limit our vulnerability to such risks through technological and other means and we rely on industry standard commercial technologies to maintain the security of our information systems, it is not possible to anticipate or prevent all potential forms of cyber-attack or to guarantee our ability to fully defend against all such attacks. In addition, due to the sensitive nature of much of the financial and similar personal information we maintain, we may be at particular risk for targeting.

Cyber-attacks affecting us, any third party administrator, the underlying funds, intermediaries and other affiliated or third-party service providers may adversely affect us and your account value. For instance, cyber-attacks may interfere with our processing of contract transactions, including the processing of orders from our website or with the underlying funds, impact our ability to calculate AUVs, cause the release and possible destruction of confidential customer or business information, impede order processing, subject us and/or our service providers and intermediaries to regulatory fines and financial losses and/or cause reputational damage. Cyber security risks may also affect the issuers of securities in which the underlying funds invest, which may cause the funds underlying your contract to lose value. There can be no assurance that we or the underlying funds or our service providers will avoid losses affecting your contract that result from cyber-attacks or information security breaches in the future.

**Allocating Purchase Payments to the Investment Options.** We will allocate your purchase payments among the investment options you select. Allocations must be in whole percentages and there may be limits on the number of investment options you may select. When selecting investment options you may find it helpful to review the "Investment Options" section.

## RIGHT TO CANCEL

**When and How to Cancel.** You may cancel your contract within ten days of receipt (some states require more than ten days) by returning it to Customer Service along with a written notice of cancellation.

**Refunds.** We will issue you a refund within seven days of our receipt of your contract and written notice of cancellation. Unless your state requires otherwise or unless you purchased an IRA, your refund will equal the purchase payments made plus any earnings or minus any losses attributable to those purchase payments allocated among the subaccounts. In other words, you will bear the entire investment risk for amounts allocated among the subaccounts during this period and the amount refunded could be less than the amount paid. If your state requires or if you purchased an IRA, we will refund all purchase payments made.

If the purchase payments for your canceled contract came from a rollover from another contract issued by us or one of our affiliates where an early withdrawal charge was reduced or eliminated, the purchase payments will be restored to your prior contract.

## FEES

The charges we assess and the deductions we make under the contract are in consideration for: (i) the services and benefits we provide; (ii) the costs and expenses we incur; and (iii) the risks we assume. The fees and charges deducted under the contract may result in a profit to us.

The following repeats and adds to information provided in the "Fee Table" section. Please review both sections for information on fees.

### TRANSACTION FEES

#### Early Withdrawal Charge

Withdrawals of all or a portion of your account value may be subject to a charge. In the case of a partial withdrawal where you request a specified dollar amount, the amount withdrawn from your account will be the amount you specified plus adjustment for any applicable early withdrawal charge.

**Amount.** A percentage of the purchase payments that you withdraw. The percentage will be determined by the early withdrawal charge schedule that applies to your account.

### Early Withdrawal Charge Schedules

<b>CONTRACTS ISSUED OUTSIDE OF THE STATE OF NEW YORK</b>	
<b>Contracts Other Than Roth IRA Contracts</b>	
<b>Years from Receipt of Purchase Payment</b>	<b>Early Withdrawal Charge</b>
Less than 2	7%
2 or more but less than 4	6%
4 or more but less than 5	5%
5 or more but less than 6	4%
6 or more but less than 7	3%
7 or more	0%
<b>Roth IRA Contracts<sup>1</sup></b>	
<b>Completed Account Years</b>	<b>Early Withdrawal Charge</b>
Less than 1	5%
1 or more but less than 2	4%
2 or more but less than 3	3%
3 or more but less than 4	2%
4 or more but less than 5	1%
5 or more	0%
<b>CONTRACTS ISSUED IN THE STATE OF NEW YORK</b>	
<b>Years from Receipt of Purchase Payment</b>	<b>Early Withdrawal Charge</b>
Less than 1	7%
1 or more but less than 2	6%
2 or more but less than 3	5%
3 or more but less than 4	4%
4 or more but less than 5	3%
5 or more but less than 6	2%
6 or more but less than 7	1%
7 or more	0%

<sup>1</sup> If the purchase payment is a rollover from another contract issued by us or one of our affiliates and the early withdrawal charge has been waived, the early withdrawal charge will be based on the number of completed account years since the date of the initial purchase payment to the former contract.

**Purpose.** This is a deferred sales charge. It reimburses us for some of the sales and administrative expenses associated with the contract. If our expenses are greater than the amount we collect for the early withdrawal charge, we may use any of our corporate assets, including potential profit that may arise from the mortality and expense risk charge, to make up any difference.

**First In, First Out.** The early withdrawal charge is calculated separately for each purchase payment withdrawn. For purposes of calculating your early withdrawal charge, we consider that your first purchase payment to the account (first in) is the first you withdraw (first out).

For example: For contracts other than Roth IRAs issued outside of New York, we calculate the early withdrawal charge based on the number of years since the purchase payment was received. If your initial purchase payment was made three years ago, we will deduct an early withdrawal charge equal to 6% of the portion of that purchase payment withdrawn. The next time you make a withdrawal we will assess the charge against the portion of the first purchase payment that you did not withdraw and/or your subsequent purchase payments to your account in the order they were received.

For Roth IRAs, we calculate the early withdrawal charge based on the number of completed account years. If three years have elapsed since your initial purchase payment was made, we will deduct an early withdrawal charge equal to 2% of the portion of that purchase payment withdrawn. The next time you make a withdrawal we will assess the charge against the portion of the first purchase payment that you did not withdraw and/or your subsequent purchase payments to your account in the order they were received.

Earnings may be withdrawn after all purchase payments have been withdrawn. There is no early withdrawal charge for withdrawal of earnings.

**Free Withdrawals.** There is no early withdrawal charge if, during each calendar year, the amount withdrawn is 10% or less (for contracts issued in New York, 15% or less on the first withdrawal each calendar year after the first account year) than:

- Your account value as of the last valuation day of the preceding calendar year or the date of your first purchase payment, whichever is later (if approved in your state); or
- Your account value on the next valuation day after we receive your withdrawal request.

The free withdrawal amount will be adjusted for amounts withdrawn under a systematic distribution option or taken as a required minimum distribution during the calendar year.

**Waiver.** The early withdrawal charge is waived for purchase payments withdrawn if the withdrawal is:

- Used to provide income phase payments to you;
- Paid due to the annuitant's death during the accumulation phase in an amount up to the sum of purchase payments made, minus the total of all partial withdrawals, amounts applied to an income phase payment option and deductions made prior to the annuitant's death;
- Paid upon a full withdrawal where your account value is \$2,500 or less and no part of the account has been withdrawn during the prior 12 months;
- Taken because of the election of a systematic distribution option but, with respect to the Systematic Withdrawal Option (SWO) and the Life Expectancy Option (LEO), only to the extent that the amount taken is 10% or less (15% or less for contracts issued in the State of New York) of your account value on the later of the date we established your account or the most recent anniversary of that date (see "**Systematic Distribution Options**");
- Applied as a rollover to certain Roth IRAs issued by us or an affiliate;
- If approved in your state, taken under a qualified contract, when the amount withdrawn is equal to the minimum distribution required by the Tax Code for your account calculated using a method permitted under the Tax Code and agreed to by us (including required minimum distributions using the Estate Conservation Option (ECO) systematic distribution option); or
- Paid upon termination of your account by us (see "**Other Topics – Involuntary Terminations**").

**Nursing Home Waiver.** You may withdraw all or a portion of your account value without an early withdrawal charge if:

- More than one year has elapsed since the account effective date;
- The withdrawal is requested within three years of the annuitant's admission to a licensed nursing care facility (in New Hampshire non-licensed facilities are included); and
- The annuitant has spent at least 45 consecutive days in such nursing care facility.

We will not waive the early withdrawal charge if the annuitant was in a nursing care facility on the date we established your account. It will also not apply if otherwise prohibited by state law.

### **Annual Maintenance Fee**

**Maximum Amount.** \$30.00

**When/How.** Each year during the accumulation phase we deduct this fee from your account value. We deduct it on your account anniversary and at the time of full withdrawal. It is deducted proportionally from each investment option.

**Purpose.** This fee reimburses us for our administrative expenses related to the establishment and maintenance of your account.

**Elimination.** We will not deduct the annual maintenance fee if your account value is \$50,000 or more on the date this fee is to be deducted.

## Transfer Charge

**Amount.** During the accumulation phase we currently allow you 12 free transfers each calendar year. We reserve the right to charge \$10 for each additional transfer. We currently do not impose this charge.

**Purpose.** This charge reimburses us for administrative expenses associated with transferring your dollars among investment options.

**Overnight Charge.** You may choose to have this \$20 charge for overnight delivery deducted from the amount of a withdrawal you would like sent to you by overnight delivery.

**Redemption Fees.** If applicable, we may deduct the amount of any redemption fees imposed by the underlying portfolios as a result of withdrawals, transfers or other fund transactions you initiate. Redemption fees, if any, are separate and distinct from any transaction charges or other charges deducted from your contract value. **For a more complete description of the funds' fees and expenses, review each fund's prospectus.**

## FEES DEDUCTED FROM INVESTMENTS IN THE SEPARATE ACCOUNT

### Mortality and Expense Risk Charge

**Maximum Amount.** During the accumulation phase the amount of this charge depends upon which contract you purchase. The amount of this charge, on an annual basis, is equal to the following percentages of your account value invested in the subaccounts:

#### Contracts Issued Outside of the State of New York

- Contracts other than Roth IRAs Issued before May 1, 1998 1.25%
- Contracts Issued on or after May 1, 1998, and all Roth IRA Contracts 1.10%

#### Contracts Issued in the State of New York

- All Contracts 1.25%

During the income phase this charge, on an annual basis, is equal to 1.25% of amounts held in the subaccounts. See **"The Income Phase – Charges Deducted."**

**When/How.** We deduct this charge daily from the subaccounts corresponding to the funds you select. We do not deduct this charge from any fixed interest option.

**Purpose.** This charge compensates us for the mortality and expense risks we assume under the contract.

- The mortality risks are those risks associated with our promise to make lifetime income phase payments based on annuity rates specified in the contract.
- The expense risk is the risk that the actual expenses we incur under the contract will exceed the maximum costs that we can charge.

If the amount we deduct for this charge is not enough to cover our mortality costs and expenses under the contract, we will bear the loss. We may use any excess to recover distribution costs relating to the contract and as a source of profit. We expect to make a profit from this charge.

### Administrative Expense Charge

**Maximum Amount.** During the accumulation phase the amount of this charge, on an annual basis, is equal to 0.15% of your account value invested in the subaccounts. There is currently no administrative expense charge during the income phase. We reserve the right, however, to charge an administrative expense charge of up to 0.25% during the income phase.

**When/How.** If imposed, we deduct this charge daily from the subaccounts corresponding to the funds you select. We do not deduct this charge from the fixed interest options. This charge may be assessed during the accumulation phase or the income phase. If we are currently imposing this charge when you enter the income phase, the charge will apply to you during the entire income phase.

**Purpose.** This charge helps defray our administrative expenses that cannot be covered by the mortality and expense risk charge described above. This charge is not intended to exceed the average expected cost of administering the contract. We do not expect to make a profit from this charge.

## **REDUCTION OR ELIMINATION OF CERTAIN FEES**

When sales of the contract are made to individuals or a group of individuals in a manner that results in savings of sales or administrative expenses, we may reduce or eliminate the early withdrawal charge, annual maintenance fee, mortality and expense risk charge or administrative expense charge. Our decision to reduce or eliminate any of these fees will be based on one or more of the following:

- The size and type of group to whom the contract is offered;
- The amount of expected purchase payments;
- A prior or existing relationship with the Company, such as being an employee or former employee of the Company or one of our affiliates, receiving distributions or making transfers from other contracts issued by us or one of our affiliates or transferring amounts held under qualified retirement plans sponsored by us or one of our affiliates;
- The type and frequency of administrative and sales services provided; or
- The level of annual maintenance fees and early withdrawal charges.

In the case of an exchange of another contract issued by us or one of our affiliates where the early withdrawal charge has been waived, the early withdrawal charge for certain contracts offered by this prospectus may be determined based on the dates purchase payments were received in the prior contract.

The reduction or elimination of any of these fees will not be unfairly discriminatory against any person and will be done according to our rules in effect at the time the contract is issued. We reserve the right to change these rules from time to time. The right to reduce or eliminate any of these fees may be subject to state approval.

## **FUND EXPENSES**

As shown in the fund prospectuses, each fund deducts management fees from the amounts allocated to the fund. In addition, each fund deducts other expenses which may include service fees that may be used to compensate service providers, including the company and its affiliates, for administrative and contract owner services provided on behalf of the fund. Furthermore, certain funds may deduct a distribution or 12b-1 fee, which is used to finance any activity that is primarily intended to result in the sale of fund shares. **For a more complete description of the funds' fees and expenses, review each fund's prospectus. You should evaluate the expenses associated with the funds available through this contract before making a decision to invest.**

The company may receive substantial revenue from each of the funds or from the funds' affiliates, although the amount and types of revenue vary with respect to each of the funds offered through the contract. This revenue is one of several factors we consider when determining contract fees and charges and whether to offer a fund through our contracts. **Fund revenue is important to the company's profitability, and it is generally more profitable for us to offer affiliated funds than to offer unaffiliated funds.**

Assets allocated to affiliated funds, meaning funds managed by Directed Services LLC or another company affiliate, generate the largest dollar amount of revenue for the company. Affiliated funds may also be subadvised by a company affiliate or by an unaffiliated third party. Assets allocated to unaffiliated funds, meaning funds managed by an unaffiliated third party, generate lesser, but still substantial dollar amounts of revenue for the company. The company expects to make a profit from this revenue to the extent it exceeds the company's expenses, including the payment of sales compensation to our distributors.

## **Revenue from the Funds**

The Company or its affiliates may receive compensation from each of the funds or the funds' affiliates. This revenue may include:

- A share of the management fee;
- Service fees;
- For certain share classes, 12b-1 fees; and
- Additional payments (sometimes referred to as revenue sharing).

12b-1 fees are used to compensate the Company and its affiliates for distribution related activity. Service fees and additional payments (sometimes collectively referred to as sub-accounting fees) help compensate the Company and its affiliates for administrative, recordkeeping or other services that we provide to the funds or the funds' affiliates, such as:

- Communicating with customers about their fund holdings;
- Maintaining customer financial records;
- Processing changes in customer accounts and trade orders (e.g. purchase and redemption requests);
- Recordkeeping for customers, including subaccounting services;
- Answering customer inquiries about account status and purchase and redemption procedures;
- Providing account balances, account statements, tax documents and confirmations of transactions in a customer's account;
- Transmitting proxy statements, annual and semi-annual reports, fund prospectuses and other fund communications to customers; and
- Receiving, tabulating and transmitting proxies executed by customers.

The management fee, service fees and 12b-1 fees are deducted from fund assets. Any such fees deducted from fund assets are disclosed in the fund prospectuses. Additional payments, which are not deducted from fund assets and may be paid out of the legitimate profits of fund advisers and/or other fund affiliates, do not increase, directly or indirectly, fund fees and expenses, and we may use these additional payments to finance distribution.

The amount of revenue the Company may receive from each of the funds or from the funds' affiliates may be substantial, although the amount and types of revenue vary with respect to each of the funds offered through the contract. This revenue is one of several factors we consider when determining contract fees and charges and whether to offer a fund through our contracts. **Fund revenue is important to the Company's profitability and it is generally more profitable for us to offer affiliated funds than to offer unaffiliated funds.**

Assets allocated to affiliated funds, meaning funds managed by Directed Services LLC, Voya Investments, LLC or another Company affiliate, generate the largest dollar amount of revenue for the Company. Affiliated funds may also be subadvised by a Company affiliate or an unaffiliated third party. Assets allocated to unaffiliated funds, meaning funds managed by an unaffiliated third party, generate lesser, but still substantial dollar amounts of revenue for the Company. The Company expects to earn a profit from this revenue to the extent it exceeds the Company's expenses, including the payment of sales compensation to our distributors.

**Revenue Received from Affiliated Funds.** The revenue received by the Company from affiliated funds may be based either on an annual percentage of average net assets held in the fund by the Company or a share of the fund's management fee.

In the case of affiliated funds subadvised by unaffiliated third parties, any sharing of the management fee between the Company and the affiliated investment adviser is based on the amount of such fee remaining after the subadvisory fee has been paid to the unaffiliated subadviser. Because subadvisory fees vary by subadviser, varying amounts of revenue are retained by the affiliated investment adviser and ultimately shared with the Company. The sharing of the management fee between the Company and the affiliated investment adviser does not increase, directly or indirectly, fund fees and expenses. The Company may also receive additional compensation in the form of intercompany payments from an affiliated fund's investment adviser or the investment adviser's parent in order to allocate revenue and profits across the organization. The intercompany payments and other revenue received from affiliated funds provide the Company with a financial incentive to offer affiliated funds through the contract rather than unaffiliated funds.

Additionally, in the case of affiliated funds subadvised by third parties, no direct payments are made to the Company or the affiliated investment adviser by the subadvisers. However, subadvisers may provide reimbursement for employees of the Company or its affiliates to attend business meetings or training conferences.

**Revenue Received from Unaffiliated Funds.** Revenue received from each of the unaffiliated funds or their affiliates is based on an annual percentage of the average net assets held in that fund by the Company. Some unaffiliated funds or their affiliates pay us more than others and some of the amounts we receive may be significant.

These revenues are received as cash payments, and if the unaffiliated fund families currently offered through the contract that made cash payments to us were individually ranked according to the total amount they paid to the company or its affiliates in 2015, that ranking would be as follows:

- Fidelity Funds®
- Calvert Funds

If the revenues received from the affiliated funds were taken into account when ranking the funds according to the total dollar amount they paid to the company or its affiliates in 2015, the affiliated funds would be at the top of the list.

In addition to the types of revenue received from affiliated and unaffiliated funds described above, affiliated and unaffiliated funds and their investment advisers, subadvisers or affiliates may participate at their own expense in company sales conferences or educational and training meetings. In relation to such participation, a fund's investment adviser, subadviser or affiliate may help offset the cost of the meetings or sponsor events associated with the meetings. In exchange for these expense offset or sponsorship arrangements, the investment adviser, subadviser or affiliate may receive certain benefits and access opportunities to company sales representatives and wholesalers rather than monetary benefits. These benefits and opportunities include, but are not limited to, co-branded marketing materials, targeted marketing sales opportunities, training opportunities at meetings, training modules for sales personnel and opportunity to host due diligence meetings for representatives and wholesalers.

**Fund of Funds.** Certain funds may be structured as "fund of funds." Funds offered in a "fund of funds" structure (such as the Voya Strategic Allocation Portfolios) may have higher fees and expenses than a fund that invests directly in debt and equity securities because they also incur the fees and expenses of the underlying funds in which they invest. These funds are affiliated funds, and the underlying funds in which they invest may be affiliated funds as well. The fund prospectuses disclose the aggregate annual operating expenses of each portfolio and its corresponding underlying fund or funds. The "fund of funds" available under the contract are identified in the list of investment portfolios toward the front of this prospectus.

Please note that certain management personnel and other employees of the company or its affiliates may receive a portion of their total employment compensation based on the amount of net assets allocated to affiliated funds. For more information, please see "**Other Topics – Contract Distribution.**"

## **PREMIUM AND OTHER TAXES**

**Maximum Amount.** Some states and municipalities charge a premium tax on annuities. These taxes currently range from 0% to 4%, depending upon the jurisdiction.

**When/How.** We reserve the right to deduct a charge for premium taxes from your account value or from purchase payments to the account at any time, but not before there is a tax liability under state law. For example, we may deduct a charge for premium taxes at the time of a complete withdrawal or we may reflect the cost of premium taxes in our income phase payment rates when you commence income phase payments.

We will not deduct a charge for any municipal premium tax of 1% or less, but we reserve the right to reflect such an expense in our annuity purchase rates.

In addition, we reserve the right to assess a charge for any federal taxes due against the separate account. See "**Federal Tax Considerations.**"

## **YOUR ACCOUNT VALUE**

During the accumulation phase your account value at any given time equals:

- The current dollar value of amounts invested in the subaccounts; plus
- The current dollar values of amounts invested in the fixed interest options, including interest earnings to date.

**Subaccount Accumulation Units.** When you select a fund as an investment option, your account dollars invest in "accumulation units" of the Variable Annuity Account B subaccount corresponding to that fund. The subaccount invests directly in the fund shares. The value of your interests in a subaccount is expressed as the number of accumulation units you hold multiplied by an "accumulation unit value," as described below, for each unit.

**Accumulation Unit Value (AUV).** The value of each accumulation unit in a subaccount is called the accumulation unit value or AUV. The AUV varies daily in relation to the underlying fund's investment performance. The value also reflects deductions for fund fees and expenses, the mortality and expense risk charge and the administrative expense charge (if any). We discuss these deductions in more detail in "**Fee Table**" and "**Fees.**"

**Valuation.** We determine the AUV every normal business day after the close of the New York Stock Exchange ("NYSE") (normally at 4:00 p.m. Eastern Time). At that time we calculate the current AUV by multiplying the AUV last calculated by the "net investment factor" of the subaccount. The net investment factor measures the investment performance of the subaccount from one valuation to the next.

Current AUV = Prior AUV x Net Investment Factor

**Net Investment Factor.** The net investment factor for a subaccount between two consecutive valuations equals the sum of 1.0000 plus the net investment rate.

**Net Investment Rate.** The net investment rate is computed according to a formula that is equivalent to the following:

- The net assets of the fund held by the subaccount as of the current valuation; minus
- The net assets of the fund held by the subaccount at the preceding valuation; plus or minus
- Taxes or provisions for taxes, if any, due to subaccount operations (with any federal income tax liability offset by foreign tax credits to the extent allowed); divided by
- The total value of the subaccount's units at the preceding valuation; minus
- A daily deduction for the mortality and expense risk charge, the administrative expense charge, if any. See "**Fees.**"

The net investment rate may be either positive or negative.

**Hypothetical Illustration.** As a hypothetical illustration assume that your initial purchase payment to a qualified contract is \$5,000 and you direct us to invest \$3,000 in Fund A and \$2,000 in Fund B. Also assume that on the day we receive the purchase payment the applicable AUVs after the next close of business of the NYSE (normally at 4:00 p.m. Eastern Time) are \$10 for Subaccount A and \$20 for Subaccount B. Your account is credited with 300 accumulation units of Subaccount A and 100 accumulation units of Subaccount B.

**Step 1:** You make an initial purchase payment of \$5,000.

**Step 2:**

- A. You direct us to invest \$3,000 in Fund A. The purchase payment purchases 300 accumulation units of Subaccount A (\$3,000 divided by the current \$10 AUV).
- B. You direct us to invest \$2,000 in Fund B. The purchase payment purchases 100 accumulation units of Subaccount B (\$2,000 divided by the current \$20 AUV).

**Step 3:** The separate account purchases shares of the applicable funds at the then current market value (net asset value or NAV).

Each fund's subsequent investment performance, expenses and charges, and the daily charges deducted from the subaccount, will cause the AUV to move up or down on a daily basis.

**Purchase Payments to Your Account.** If all or a portion of your initial purchase payment is directed to the subaccounts, it will purchase subaccount accumulation units at the AUV next computed after our acceptance of your application as described in "**PURCHASE AND RIGHTS.**" Subsequent purchase payments or transfers directed to the subaccounts will purchase subaccount accumulation units at the AUV next computed following our receipt of the purchase payment or transfer request in good order. The AUV will vary day to day. Subsequent purchase payments and transfers received in good order after the close of the NYSE will purchase accumulation units at the AUV computed after the close of the NYSE on the next business day.

## WITHDRAWALS

You may withdraw all or a portion of your account value at any time during the accumulation phase (for contracts issued in New York, partial withdrawals are not available in the first account year unless they are taken under a systematic distribution option).

## Steps for Making a Withdrawal

- Select the withdrawal amount.
  - (1) Full Withdrawal: You will receive, reduced by any required withholding tax, your account value allocated to the subaccounts, the Guaranteed Account (plus or minus any applicable market value adjustment) and the Fixed Account, minus any applicable early withdrawal charge and annual maintenance fee.
  - (2) Partial Withdrawal (Percentage or Specified Dollar Amount): You will receive, reduced by any required withholding tax, the amount you specify, subject to the value available in your account. However, the amount actually withdrawn from your account will be adjusted by any applicable early withdrawal charge and any positive or negative market value adjustment for amounts withdrawn from the Guaranteed Account. See “Appendices I and II” and the Guaranteed Account prospectus for more information about withdrawals from the Guaranteed Account and the Fixed Account.
- Select investment options. If you do not specify this, we will withdraw dollars in the same proportion as the values you hold in the various investment options from each investment option in which you have an account value.
- Properly complete a disbursement form and deliver it to Customer Service.

**Calculation of Your Withdrawal.** We determine your account value every normal business day after the close of the NYSE (normally at 4:00 p.m. Eastern Time). We pay withdrawal amounts based on your account value as of the next valuation after we receive a request for withdrawal in good order at Customer Service.

**Delivery of Payment.** Payments for withdrawal requests will be made in accordance with SEC requirements. Normally, your withdrawal amount will be sent no later than seven calendar days following our receipt of your properly-completed disbursement form in good order.

**Reinstating a Full Withdrawal.** Within 30 days after a full withdrawal, if allowed by law and the contract, you may elect to reinstate all or a portion of your withdrawal. We must receive any reinstated amounts within 60 days of the withdrawal. We reserve the right, however, to accept a reinstatement election received more than 30 days after the withdrawal and accept proceeds reinstated more than 60 days after the withdrawal. We will credit your account for the amount reinstated based on the subaccount values next computed following our receipt of your request and the amount to be reinstated. We will credit the amount reinstated proportionally for annual maintenance fees and early withdrawal charges imposed at the time of withdrawal. We will deduct from the amounts reinstated any annual maintenance fee which fell due after the withdrawal and before the reinstatement. We will reinstate in the same investment options and proportions in place at the time of withdrawal. The reinstatement privilege may be used only once. Special rules apply to reinstatements of amounts withdrawn from the Guaranteed Account (see “**Appendix I**” and the Guaranteed Account prospectus). We will not credit your account for market value adjustments that we deducted at the time of your withdrawal or refund any taxes that were withheld. Seek competent advice regarding the tax consequences associated with reinstatement.

## SYSTEMATIC DISTRIBUTION OPTIONS

Systematic distribution options may be exercised at any time during the accumulation phase. The following systematic distribution options may be available:

- SWO – Systematic Withdrawal Option. SWO is a series of automatic partial withdrawals from your account based on a payment method you select. Consider this option if you would like a periodic income while retaining investment flexibility for amounts accumulated in the account.
- ECO – Estate Conservation Option. ECO offers the same investment flexibility as SWO, but is designed for those who want to receive only the minimum distribution that the Tax Code requires each year. Under ECO we calculate the minimum distribution amount required by law, generally at age 70½, and pay you that amount once a year. ECO is not available under nonqualified contracts. An early withdrawal charge will not be deducted from and a market value adjustment will not be applied to any part of your account value paid under an ECO.
- LEO – Life Expectancy Option. LEO provides for annual payments for a number of years equal to your life expectancy or the life expectancy of you and a designated beneficiary. It is designed to meet the substantially equal periodic payment exception to the 10% premature distribution penalty under Tax Code Section 72. See “**Federal Tax Considerations.**”

**Other Systematic Distribution Options.** We may add additional systematic distribution options from time to time. You may obtain additional information relating to any of the systematic distribution options from your sales representative or by calling us at the number listed in “Contract Overview—Questions: Contacting the Company.”

**Systematic Distribution Option Availability.** Withdrawals under a systematic distribution option are limited to your free withdrawal amount. See “**Fees – Early Withdrawal Charge – Free Withdrawals.**” If allowed by applicable law, we may discontinue the availability of one or more of the systematic distribution options for new elections at any time and/or to change the terms of future elections.

**Eligibility for a Systematic Distribution Option.** To determine if you meet the age and account value criteria and to assess terms and conditions that may apply, contact your sales representative or the Company at the number listed in “Contract Overview—Questions: Contacting the Company.”

**Terminating a Systematic Distribution Option.** You may revoke a systematic distribution option at any time by submitting a written request to Customer Service. ECO, once revoked, may not, unless allowed under the Tax Code, be elected again.

**Charges and Taxation.** When you elect a systematic distribution option your account value remains in the accumulation phase and subject to the charges and deductions described in the “**Fees**” and “**Fee Table**” sections. Taking a withdrawal under a systematic distribution option, or later revoking the option, may have tax consequences. If you are concerned about tax implications, consult a tax and/or legal adviser before electing an option.

## DEATH BENEFIT

This section provides information about the death benefit during the accumulation phase. For death benefit information applicable to the income phase, see “**The Income Phase.**”

### Terms to Understand

**Account Year/Account Anniversary:** A period of 12 months measured from the date we established your account and each anniversary of this date. Account anniversaries are measured from this date.

**Annuitant(s):** The person(s) on whose life(lives) or life expectancy(ies) the income phase payments are based.

**Beneficiary(ies):** The person(s) or entity(ies) entitled to receive death benefit proceeds under the contract.

**Claim Date:** The date proof of death and the beneficiary’s right to receive the death benefit are received in good order at Customer Service. Please contact Customer Service to learn what information is required for a request for payment of the death benefit to be in good order.

**Contract Holder (You/Your):** The contract holder of an individually owned contract or the certificate holder of a group contract. The contract holder and annuitant may be the same person.

**Market Value Adjustment:** An adjustment that may be made to amounts withdrawn from the Guaranteed Account. The adjustment may be positive or negative.

### During the Accumulation Phase

**When is a Death Benefit Payable?** During the accumulation phase a death benefit is payable when the contract holder or the annuitant dies. If there are joint contract holders, the death benefit is payable when either one dies.

**Who Receives Death Benefit Proceeds?** If you would like certain individuals or entities to receive the death benefit when it becomes payable, you may name them as your beneficiaries. However, if you are a joint contract holder and you die, the beneficiary will automatically be the surviving joint contract holder. In this circumstance any other beneficiary you have named will be treated as the primary or contingent beneficiary, as originally named, of the surviving joint contract holder. The surviving joint contract holder may change that beneficiary designation. If you die and no beneficiary exists, the death benefit will be paid in a lump sum to your estate.

**Designating Your Beneficiary.** You may designate a beneficiary on your application or by contacting your sales representative or us as indicated in “Contract Overview – Questions: Contacting the Company.”

## Death Benefit Amount

**Minimum Guaranteed Death Benefit.** If approved in your state, upon the death of the annuitant the death benefit will be the greater of:

- (1) The account value on the claim date; or
- (2) The minimum guaranteed death benefit as of the date of death, adjusted for purchase payments made and any amounts deducted from your account (including withdrawals, payments made under an income phase payment plan and fees and expenses) since the date the minimum guaranteed death benefit was determined.

**Determining the Minimum Guaranteed Death Benefit.** On the day we establish your account, the minimum guaranteed death benefit equals the amount of your initial purchase payment. Thereafter, the minimum guaranteed death benefit is determined once a year on the account anniversary (until the account anniversary immediately before the annuitant's 85th birthday) and equals the greater of:

- (1) The minimum guaranteed death benefit as last determined, adjusted for any purchase payments made and any amounts deducted from your account (including withdrawals, payments made under an income phase payment plan and fees and expenses) since the date the minimum guaranteed death benefit was determined; or
- (2) Your account value on that account anniversary.

After the annuitant's 85<sup>th</sup> birthday, the minimum guaranteed death benefit equals the minimum guaranteed death benefit on the account anniversary immediately before the annuitant's 85th birthday, adjusted for payments made and any amounts deducted from your account (including withdrawals, payments made under an income phase payment plan and fees and expenses) since that account anniversary.

**Death Benefit Greater than the Account Value.** If the alternative death benefit is greater than the account value as of the date of death, the amount by which the death benefit exceeds the account value will be deposited and allocated to the money market subaccount available under the contract, thereby increasing the account value available to the beneficiary to an amount equal to the death benefit.

Prior to the election of a death benefit payment by the beneficiary, the account value will remain in the account and continue to be affected by the investment performance of the investment option(s) selected. The beneficiary has the right to allocate or transfer any amount to any available investment option (subject to a market value adjustment, as applicable). The amount paid to the beneficiary will equal the adjusted account value on the day the payment is processed. Subject to the conditions and requirements of state law, unless your beneficiary elects otherwise, the distribution will generally be made into an interest bearing account, backed by our general account. This account is not FDIC insured and can be accessed by the beneficiary through a draftbook feature. The beneficiary may access death benefit proceeds at any time without penalty. Interest credited on this account may be less than under other settlement options, and the Company seeks to earn a profit on these accounts. We will generally distribute death benefit proceeds within 7 days after Customer Service has received sufficient information to make the payment. For information on required distributions under federal income tax law, you should see "**Required Distributions upon Contract Owner's Death.**" At the time of death benefit election, the beneficiary may elect to receive the death benefit proceeds directly by check rather than through the draftbook feature of the interest bearing account by notifying Customer Service. Beneficiaries should carefully review all settlement and payment options available under the contract and are encouraged to consult with a financial professional or tax advisor before choosing a settlement or payment option.

## Death Benefit Amounts in Certain Cases

**If the Contract Holder is not the Annuitant.** Under nonqualified contracts only, the alternative death benefit described above will not apply if the contract holder who is not the annuitant dies. Rather, the death benefit proceeds will be equal to the account value on the date the request for payment is received, plus or minus any market value adjustment. An early withdrawal charge may apply to any full or partial payment of this death benefit.

If the spousal beneficiary continues the account at the death of the contract holder who was not the annuitant, the annuitant will not change and the alternative death benefit described above will not apply on the death of the spousal beneficiary. Rather, the death benefit proceeds will equal the account value on the date the request for payment is received, plus or minus any market value adjustment, and minus any early withdrawal charge, if approved in your state. If your state has not approved deduction of an early withdrawal charge in this situation, then an early withdrawal charge will apply only to payments made since the death of the original contract holder/annuitant.

**If the Spousal Beneficiary Continues the Account.** If the spousal beneficiary continues the account at the death of the contract holder who was also the annuitant, the spousal beneficiary will become the annuitant. In this circumstance the death benefit payable at the death of a spousal beneficiary shall equal the account value on the date the request for payment is received, plus or minus any market value adjustment and minus any applicable early withdrawal charge applicable to payments made since the death of the original contract holder/annuitant.

**Alternative Death Benefit.** If the minimum guaranteed death benefit is not approved in your state, the following death benefit will apply:

Upon the death of the annuitant, the death benefit will be the greatest of:

- (1) The total payments made to your account, adjusted for any amounts deducted from your account (including withdrawals, payments made under an income phase payment plan and fees and expenses);
- (2) The highest account value on any account anniversary until the account anniversary immediately before the annuitant's 75th birthday or date of death, whichever is earlier, adjusted for payments made and any amounts deducted from your account (including withdrawals, payments made under an income phase payment plan and fees and expenses) since that account anniversary; or
- (3) The account value as of the date of death.

**Guaranteed Account.** For amounts held in the Guaranteed Account, see “**Appendix I**” for a discussion of the calculation of the death benefit.

### **Death Benefit - Methods of Payment**

**For Qualified Contracts.** Under a qualified contract if the annuitant dies the beneficiary may choose one of the following three methods of payment:

- Apply some or all of the account value, plus or minus any market value adjustment, to any of the income phase payment options (subject to the Tax Code distribution rules). See “**Federal Tax Considerations;**”
- Receive, at any time, a lump-sum payment equal to all or a portion of the account value, plus or minus any market value adjustment; or
- Elect SWO or ECO or LEO (described in “**Systematic Distribution Options**”), provided the election would satisfy the Tax Code minimum distribution rules.

**Payments from a Systematic Distribution Option.** If the annuitant was receiving payments under a systematic distribution option and died before the Tax Code's required beginning date for minimum distributions, payments under the systematic distribution option will stop. The beneficiary, or contract holder on behalf of the beneficiary, may elect a systematic distribution option provided the election is permitted under the Tax Code minimum distribution rules. If the annuitant dies after the required beginning date for minimum distributions, payments will continue as permitted under the Tax Code minimum distribution rules, unless the option is revoked.

**Distribution Requirements.** Subject to Tax Code limitations, a beneficiary may be able to defer distribution of the death benefit. Death benefit payments must satisfy the distribution rules in Tax Code Section 401(a)(9). See “**Federal Tax Considerations.**”

### **For Nonqualified Contracts.**

- (1) If you die and the beneficiary is your surviving spouse, or if you are a non-natural person and the annuitant dies and the beneficiary is the annuitant's surviving spouse, then the beneficiary becomes the successor contract holder. In this circumstance the Tax Code does not require distributions under the contract until the successor contract holder's death.

As the successor contract holder, the beneficiary may exercise all rights under the account and has the following options:

- (a) Continue the contract in the accumulation phase;
- (b) Elect to apply some or all of the account value, plus or minus any market value adjustment, to any of the income phase payment options; or
- (c) Receive at any time a lump-sum payment equal to all or a portion of the account value, plus or any market value adjustment.

If you die and are not the annuitant, an early withdrawal charge will apply if a lump sum is elected.

- (2) If you die and the beneficiary is not your surviving spouse, he or she may elect option 1(b) or option 1(c) above (subject to the Tax Code distribution rules).

In this circumstance the Tax Code requires any portion of the account value, plus or minus any market value adjustment, not distributed in installments over the beneficiary's life or life expectancy, beginning within one year of your death, must be paid within five years of your death. See "**Federal Tax Considerations.**"

- (3) If you are a natural person but not the annuitant and the annuitant dies, the beneficiary may elect option 1(b) or 1(c) above. If the beneficiary does not elect option 1(b) within 60 days from the date of death, the gain, if any, will be included in the beneficiary's income in the year the annuitant dies.

**Payments from a Systematic Distribution Option.** If the contract holder or annuitant dies and payments were made under SWO, payments will stop. A beneficiary, however, may elect to continue SWO.

**Taxation.** In general, payments received by your beneficiary after your death are taxed to the beneficiary in the same manner as if you had received those payments. Additionally, your beneficiary may be subject to tax penalties if he or she does not begin receiving death benefit payments within the time-frame required by the Tax Code. See "**Federal Tax Considerations.**"

## THE INCOME PHASE

During the income phase you stop contributing dollars to your account and start receiving payments from your accumulated account value.

**Initiating Payments.** At least 30 days prior to the date you want to start receiving payments you must notify us in writing of all of the following:

- Payment start date;
- Income phase payment option (see the income phase payment options table in this section);
- Payment frequency (i.e., monthly, quarterly, semi-annually or annually);
- Choice of fixed, variable or a combination of both fixed and variable payments; and
- Selection of an assumed net investment rate (only if variable payments are elected).

Your account will continue in the accumulation phase until you properly initiate income phase payments. Once an income phase payment option is selected it may not be changed.

**What Affects Income Phase Payments?** Some of the factors that may affect income phase payments include: your age, your account value, the income phase payment option selected (including the frequency and duration of payments under the option selected), number of guaranteed payments (if any) selected, and whether you select variable or fixed payments. As a general rule, more frequent income phase payments will result in smaller individual income phase payments. Likewise, income phase payments that are anticipated over a longer period of time will also result in smaller individual income phase payments.

**Fixed Payments.** Amounts funding fixed income phase payments will be held in the Company's general account. The amount of fixed payments does not vary with investment performance over time.

**Variable Payments.** Amounts funding your variable income phase payments will be held in the subaccount(s) you select. Not all subaccounts available during the accumulation phase may be available during the income phase. Payment amounts will vary depending upon the performance of the subaccounts you select. For variable income phase payments, you must select an assumed net investment rate.

**Assumed Net Investment Rate.** If you select variable income phase payments, you must also select an assumed net investment rate of either 5% or 3½%. If you select a 5% rate, your first income phase payment will be higher, but subsequent payments will increase only if the investment performance of the subaccounts you selected is greater than 5% annually, after deduction of fees. Payment amounts will decline if the investment performance is less than 5%, after deduction of fees.

If you select a 3½% rate, your first income phase payment will be lower and subsequent payments will increase more rapidly or decline more slowly depending upon changes to the net investment rate of the subaccounts you selected. For more information about selecting an assumed net investment rate, call us for a copy of the SAI. See “**Contract Overview - Questions: Contacting the Company.**”

**Minimum Payment Amounts.** The income phase payment option you select must result in:

- A first income phase payment of at least \$50; and
- Total yearly income phase payments of at least \$250.

If your account value is too low to meet these minimum payment amounts, you will receive one lump-sum payment. Unless prohibited by law, we reserve the right to increase the minimum payment amount based on increases reflected in the Consumer Price Index-Urban (CPI-U) since July 1, 1993.

**Restrictions on Start Dates and the Duration of Payments.** Income phase payments may not begin during the first account year, or, unless we consent, later than the later of:

- (a) The first day of the month following the annuitant’s 85th birthday; or
- (b) The tenth anniversary of the last purchase payment made to your account (fifth anniversary for contracts issued in Pennsylvania).

Income phase payments will not begin until you have selected an income phase payment option. Failure to select an income phase payment option by the later of the annuitant’s 85th birthday or the tenth anniversary of your last purchase payment (the fifth anniversary for contracts issued in Pennsylvania) may have adverse tax consequences. You should consult with a tax and/or legal adviser if you are considering either of these courses of action.

For qualified contracts only, income phase payments may not extend beyond:

- (a) The life of the annuitant;
- (b) The joint lives of the annuitant and beneficiary;
- (c) A guaranteed period greater than the annuitant’s life expectancy; or
- (d) A guaranteed period greater than the joint life expectancies of the annuitant and beneficiary.

When income phase payments start the age of the annuitant plus the number of years for which payments are guaranteed may not exceed 95. For contracts issued in New York, income phase payments may not begin later than the first day of the month following the annuitant’s 90th birthday.

If income phase payments start when the annuitant is at an advanced age, such as over 85, it is possible that the contract will not be considered an annuity for federal tax purposes.

See “**Federal Tax Considerations**” for further discussion of rules relating to income phase payments.

**Charges Deducted.** We make a daily deduction for mortality and expense risks from amounts held in the subaccounts. Therefore, if you choose variable income phase payments and a nonlifetime income phase payment option, we still make this deduction from the subaccounts you select, even though we no longer assume any mortality risks. We may also deduct a daily administrative charge from amounts held in the subaccounts. See “**Fees.**”

**Death Benefit during the Income Phase.** The death benefits that may be available to a beneficiary are outlined in the income phase payment options table below. If a lump-sum payment is due as a death benefit, we will make payment within seven calendar days after we receive proof of death acceptable to us and the request for the payment in good order at Customer Service. Unless your beneficiary elects otherwise, the distribution will generally be made into an interest bearing account, backed by our general account. This account is not FDIC insured and can be accessed by the beneficiary through a draftbook feature. The beneficiary may access death benefit proceeds at any time without penalty. Interest credited on this account may be less than interest paid on other settlement options, and the Company seeks to earn a profit on these accounts. If continuing income phase payments are elected, the beneficiary may not elect to receive a lump sum at a future date unless the income phase payment option specifically allows a withdrawal right. We will calculate the value of any death benefit at the next valuation after we receive proof of death and a request for payment. Such value will be reduced by any payments made after the date of death.

**Beneficiary Rights.** A beneficiary’s right to elect an income phase payment option or receive a lump-sum payment may have been restricted by the contract holder. If so, such rights or options will not be available to the beneficiary.

**Partial Entry into the Income Phase.** You may elect an income phase payment option for a portion of your account dollars, while leaving the remaining portion invested in the accumulation phase. Whether the Tax Code considers such payments taxable as income phase payments or as withdrawals is currently unclear; therefore, you should consult with a tax and/or legal adviser before electing this option. The same or different income phase payment option may be selected for the portion left invested in the accumulation phase.

**Taxation.** To avoid certain tax penalties, you or your beneficiary must meet the distribution rules imposed by the Tax Code. Additionally, when selecting an income phase payment option, the Tax Code requires that your expected payments will not exceed certain durations. See “**Federal Tax Considerations**” for additional information.

**Income Phase Payment Options**

The following table lists the income phase payment options and accompanying death benefits available during the income phase. We may offer additional income phase payment options under the contract from time to time.

Once income phase payments begin the income phase payment option selected may not be changed.

**Terms to understand:**

**Annuitant(s):** The person(s) on whose life expectancy(ies) the income phase payments are based.

**Beneficiary(ies):** The person(s) or entity(ies) entitled to receive a death benefit under the contract.

<b>Lifetime Income Phase Payment Options</b>	
Life Income	<p><b>Length of Payments:</b> For as long as the annuitant lives. It is possible that only one payment will be made if the annuitant dies prior to the second payment’s due date.</p> <p><b>Death Benefit – None:</b> All payments end upon the annuitant’s death.</p>
Life Income – Guaranteed Payments	<p><b>Length of Payments:</b> For as long as the annuitant lives, with payments guaranteed for your choice of 5 to 30 years or as otherwise specified in the contract.</p> <p><b>Death Benefit – Payment to the Beneficiary:</b> If the annuitant dies before we have made all the guaranteed payments, we will continue to pay the beneficiary the remaining payments, unless the beneficiary elects to receive a lump-sum payment equal to the present value of the remaining guaranteed payments.</p>
Life Income – Two Lives	<p><b>Length of Payments:</b> For as long as either annuitant lives. It is possible that only one payment will be made if both annuitants die before the second payment’s due date.</p> <p><b>Continuing Payments:</b> When you select this option you choose for:</p> <p>(a) 100%, 66 2/3% or 50% of the payment to continue to the surviving annuitant after the first death; or</p> <p>(b) 100% of the payment to continue to the annuitant on the second annuitant’s death, and 50% of the payment to continue to the second annuitant on the annuitant’s death.</p> <p><b>Death Benefit – None:</b> All payments end upon the death of both annuitants.</p>
Life Income – Two Lives – Guaranteed Payments	<p><b>Length of Payments:</b> For as long as either annuitant lives, with payments guaranteed from 5 to 30 years or as otherwise specified in the contract.</p> <p><b>Continuing Payments:</b> 100% of the payment to continue to the surviving annuitant after the first death.</p> <p><b>Death Benefit – Payment to the Beneficiary:</b> If both annuitants die before we have made all the guaranteed payments, we will continue to pay the beneficiary the remaining payments, unless the beneficiary elects to receive a lump-sum payment equal to the present value of the remaining guaranteed payments.</p>
Life Income – Cash Refund Option (limited availability – fixed payment only)	<p><b>Length of Payments:</b> For as long as the annuitant lives.</p> <p><b>Death Benefit – Payment to the Beneficiary:</b> Following the annuitant’s death, we will pay a lump-sum payment equal to the amount originally applied to the income phase payment option (less any premium tax) and less the total amount of income payments paid.</p>
Life Income – Two Lives – Cash Refund Option (limited availability – fixed payment only)	<p><b>Length of Payments:</b> For as long as either annuitant lives.</p> <p><b>Continuing Payments:</b> 100% of the payment to continue after the first death.</p> <p><b>Death Benefit – Payment to the Beneficiary:</b> When both annuitants die we will pay a lump-sum payment equal to the amount applied to the income phase payment option (less any premium tax) and less the total amount of income payments paid.</p>

### Nonlifetime Income Phase Payment Option

Nonlifetime – Guaranteed Payments	<p><b>Length of Payments:</b> You may select payments for 5 to 30 years. In certain cases a lump-sum payment may be requested at any time (see below).</p> <p><b>Death Benefit – Payment to the Beneficiary:</b> If the annuitant dies before we make all the guaranteed payments, we will continue to pay the beneficiary the remaining payments, unless the beneficiary elects to receive a lump-sum payment equal to the present value of the remaining guaranteed payments. We will not impose any early withdrawal charge.</p>
-----------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**Lump-Sum Payment:** If the “Nonlifetime – Guaranteed Payments” option is elected with variable payments, you may request at any time that all or a portion of the present value of the remaining payments be paid in one lump sum. Any such lump-sum payment will be treated as a withdrawal during the accumulation phase and we will charge any applicable early withdrawal charge. See “**Fees – Early Withdrawal Charge.**” Lump-sum payments will be sent within seven calendar days after we receive the request for payment in good order at Customer Service.

**Calculation of Lump-Sum Payments:** If a lump-sum payment is available under the income phase payment options above, the rate used to calculate the present value of the remaining guaranteed payments is the same rate we used to calculate the income phase payments (i.e., the actual fixed rate used for fixed payments or the 3½% or 5% assumed net investment rate used for variable payments).

## FEDERAL TAX CONSIDERATIONS

### Introduction

This section discusses our understanding of current federal income tax laws affecting the contract. Federal income tax treatment of the contract is complex and sometimes uncertain. You should keep the following in mind when reading this section:

- Your tax position (or the tax position of the designated beneficiary, as applicable) determines federal taxation of amounts held or paid out under the contract;
- Tax laws change. It is possible that a change in the future could affect contracts issued in the past, including the contract described in this prospectus;
- This section addresses some, but not all, applicable federal income tax rules and does not discuss federal estate and gift tax implications, state and local taxes, or any other tax provisions;
- We do not make any guarantee about the tax treatment of the contract or transactions involving the contract; and
- No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below.

We do not intend this information to be tax advice. No attempt is made to provide more than a general summary of information about the use of the contract with non-tax-qualified and tax-qualified retirement arrangements, and the Tax Code may contain other restrictions and conditions that are not included in this summary. You should consult with a tax and/or legal adviser for advice about the effect of federal income tax laws, state tax laws or any other tax laws affecting the contract or any transactions involving the contract.

### Types of Contracts: Nonqualified or Qualified

The contract described in this prospectus may be purchased on a non-tax-qualified basis (nonqualified contracts) or on a tax-qualified basis (qualified contracts).

**Nonqualified Contracts.** Nonqualified contracts do not receive the same tax benefits as are afforded to contracts funding qualified plans. You may not deduct the amount of your premium payments to a nonqualified contract. Rather, nonqualified contracts are purchased with after-tax contributions to save money, generally for retirement, with the right to receive annuity premium payments for either a specified period of time or over a lifetime.

**Qualified Contracts.** Qualified contracts are designed for use by individuals and/or employers whose premium payments are comprised solely of proceeds from and/or contributions to retirement plans or programs that are intended to qualify as plans or programs entitled to special favorable income tax treatment under Sections 401, 408 or 408A of the Tax Code.

**Roth Accounts.** Tax Code Section 402A allows employees of certain private employers offering 401(k) plans to contribute after-tax salary contributions to a Roth 401(k) account. Roth accounts provide for tax-free distributions, subject to certain conditions and restrictions. If permitted by us and under the plan for which the contract is issued, we will set up one or more accounts for you under the contract for Roth after-tax contributions and the portion of any transfer or rollover attributable to such amounts.

### *Taxation of Nonqualified Contracts*

#### **Taxation of Gains Prior to Distribution or Annuity Starting Date**

**General.** Tax Code Section 72 governs the federal income taxation of annuities in general. We believe that if you are a natural person (in other words, an individual) you will generally not be taxed on increases in the value of a nonqualified contract until a distribution occurs or until annuity payments begin. This assumes that the contract will qualify as an annuity contract for federal income tax purposes. For these purposes, the agreement to assign or pledge any portion of the contract value will be treated as a distribution. In order to be eligible to receive deferral of taxation, the following requirements must be satisfied:

**Diversification.** Tax Code Section 817(h) requires that in a nonqualified contract the investments of the funds be “adequately diversified” in accordance with Treasury Regulations in order for the contract to qualify as an annuity contract under federal tax law. The separate account, through the funds, intends to comply with the diversification requirements prescribed by Tax Code Section 817(h) and by Treasury Regulations Sec. 1.817-5, which affects how the funds’ assets may be invested. If it is determined, however, that your contract does not satisfy the applicable diversification requirements and rulings because a subaccount’s corresponding fund fails to be adequately diversified for whatever reason, we will take appropriate steps to bring your contract into compliance with such regulations and rulings, and we reserve the right to modify your contract as necessary to do so;

- **Investor Control.** Although earnings under nonqualified annuity contracts are generally not taxed until withdrawn, the IRS has stated in published rulings that a variable contract owner will be considered the owner of separate account assets if the contract owner possesses incidents of investment control over the assets. In these circumstances, income and gains from the separate account assets would be currently includible in the variable contract owner’s gross income. Future guidance regarding the extent to which owners could direct their investments among subaccounts without being treated as owners of the underlying assets of the separate account may adversely affect the tax treatment of existing contracts. The Company therefore reserves the right to modify the contract as necessary to attempt to prevent the contract owner from being considered the federal tax owner of a proportional share of the assets of the separate account;
- **Required Distributions.** In order to be treated as an annuity contract for federal income tax purposes, the Tax Code requires any nonqualified contract to contain certain provisions specifying how your interest in the contract will be distributed in the event of your death. The nonqualified contracts contain provisions that are intended to comply with these Tax Code requirements, although no regulations interpreting these requirements have yet been issued. When such requirements are clarified by regulation or otherwise, we intend to review such distribution provisions and modify them if necessary to assure that they comply with the applicable requirements;
- **Non-Natural Holders of a Nonqualified Contract.** If the owner of the contract is not a natural person (in other words, is not an individual), a nonqualified contract generally is not treated as an annuity for federal income tax purposes and the income on the contract for the taxable year is currently taxable as ordinary income. Income on the contract is any increase over the year in the excess of the contract value over the “investment in the contract” (generally, the premium payments or other consideration you paid for the contract less any nontaxable withdrawals) during the taxable year. There are some exceptions to this rule and a non-natural person should consult with a tax and/or legal adviser before purchasing the contract. When the contract owner is not a natural person, a change in the annuitant is treated as the death of the contract owner; and
- **Delayed Annuity Starting Date.** If the contract’s annuity starting date occurs (or is scheduled to occur) at a time when the annuitant has reached an advanced age (e.g., after age 95), it is possible that the contract would not be treated as an annuity for federal income tax purposes. In that event, the income and gains under the contract could be currently includible in your income.

#### **Taxation of Distributions**

**General.** When a withdrawal from a nonqualified contract occurs before the contract’s annuity starting date, the amount received will be treated as ordinary income subject to tax up to an amount equal to the excess (if any) of the contract value (unreduced by the amount of any surrender charge) immediately before the distribution over the contract owner’s investment in the contract at that time. Investment in the contract is generally equal to the amount of all premium payments to the contract, plus amounts previously included in your gross income as the result of certain loans, assignments or gifts, less the aggregate amount of non-taxable distributions previously made.

In the case of a surrender under a nonqualified contract, the amount received generally will be taxable only to the extent it exceeds the contract owner's investment in the contract (cost basis).

**10% Penalty.** A distribution from a nonqualified contract may be subject to a penalty equal to 10% of the amount treated as income. In general, however, there is no penalty on distributions:

- Made on or after the taxpayer reaches age 59½;
- Made on or after the death of a contract owner (the annuitant if the contract owner is a non-natural person);
- Attributable to the taxpayer's becoming disabled as defined in the Tax Code;
- Made as part of a series of substantially equal periodic payments (at least annually) over your life or life expectancy or the joint lives or joint life expectancies of you and your designated beneficiary; or
- The distribution is allocable to investment in the contract before August 14, 1982.

The 10% penalty does not apply to distributions from an immediate annuity as defined in the Tax Code. Other exceptions may be applicable under certain circumstances and special rules may be applicable in connection with the exceptions enumerated above. A tax and/or legal adviser should be consulted with regard to exceptions from the penalty tax.

**Tax-Free Exchanges.** Section 1035 of the Tax Code permits the exchange of a life insurance, endowment or annuity contract for an annuity contract on a tax-free basis. In such instance, the "investment in the contract" in the old contract will carry over to the new contract. You should consult with your tax and/or legal adviser regarding procedures for making Section 1035 exchanges.

If your contract is purchased through a tax-free exchange of a life insurance, endowment or annuity contract that was purchased prior to August 14, 1982, then any distributions other than annuity payments will be treated, for tax purposes, as coming:

- First, from any remaining "investment in the contract" made prior to August 14, 1982 and exchanged into the contract;
- Next, from any "income on the contract" attributable to the investment made prior to August 14, 1982;
- Then, from any remaining "income on the contract;" and
- Lastly, from any remaining "investment in the contract."

In certain instances, the partial exchange of a portion of one annuity contract for another contract is a tax-free exchange. Pursuant to IRS guidance, receipt of withdrawals or surrenders from either the original contract or the new contract during the 180 day period beginning on the date of the partial exchange may retroactively negate the partial exchange. If the partial exchange is retroactively negated, the partial withdrawal or surrender of the original contract will be treated as a withdrawal, taxable as ordinary income to the extent of gain in the original contract and, if the partial exchange occurred prior to the contract owner reaching age 59½, may be subject to an additional 10% penalty. We are not responsible for the manner in which any other insurance company, for tax reporting purposes, or the IRS, with respect to the ultimate tax treatment, recognizes or reports a partial exchange. We strongly advise you to discuss any proposed 1035 exchange or subsequent distribution within 180 days of a partial exchange with your tax and/or legal adviser prior to proceeding with the transaction.

**Taxation of Annuity Payments.** Although tax consequences may vary depending on the payment option elected under an annuity contract, a portion of each annuity payment is generally not taxed and the remainder is taxed as ordinary income. The non-taxable portion of an annuity payment is generally determined in a manner that is designed to allow you to recover your investment in the contract ratably on a tax-free basis over the expected stream of annuity payments, as determined when annuity payments start. Once your investment in the contract has been fully recovered, however, the full amount of each subsequent annuity payment is subject to tax as ordinary income.

Annuity contracts that are partially annuitized after December 31, 2010, are treated as separate contracts with their own annuity starting date and exclusion ratio. Specifically, an exclusion ratio will be applied to any amount received as an annuity under a portion of the annuity, provided that annuity payments are made for a period of 10 years or more or for life. Please consult your tax and/or legal adviser before electing a partial annuitization.

**Death Benefits.** Amounts may be distributed from a contract because of your death or the death of the annuitant. Generally, such amounts are includible in the income of the recipient as follows:

- If distributed in a lump sum, they are taxed in the same manner as a surrender of the contract, or
- If distributed under a payment option, they are taxed in the same way as annuity payments.

Special rules may apply to amounts distributed after a beneficiary has elected to maintain contract value and receive payments.

Different distribution requirements apply if your death occurs:

- After you begin receiving annuity payments under the contract; or
- Before you begin receiving such distributions.

If your death occurs after you begin receiving annuity payments, distributions must be made at least as rapidly as under the method in effect at the time of your death.

If your death occurs before you begin receiving annuity payments, your entire balance must be distributed within five years after the date of your death. For example, if you died on September 1, 2016, your entire balance must be distributed by August 31, 2021. However, if distributions begin within one year of your death, then payments may be made over one of the following timeframes:

- Over the life of the designated beneficiary; or
- Over a period not extending beyond the life expectancy of the designated beneficiary.

If the designated beneficiary is your spouse, the contract may be continued with the surviving spouse as the new contract owner. If the contract owner is a non-natural person and the primary annuitant dies, the same rules apply on the death of the primary annuitant as outlined above for the death of a contract owner.

Some contracts offer a death benefit that may exceed the greater of the premium payments and the contract value. Certain charges are imposed with respect to these death benefits. It is possible that these charges (or some portion thereof) could be treated for federal tax purposes as a distribution from the contract.

**Assignments and Other Transfers.** A transfer, pledge or assignment of ownership of a nonqualified contract, the selection of certain annuity dates, or the designation of an annuitant or payee other than an owner may result in certain tax consequences to you that are not discussed herein. The assignment, pledge or agreement to assign or pledge any portion of the contract value will be treated as a distribution for federal income tax purposes. Anyone contemplating any such transfer, pledge, assignment, or designation or exchange, should consult a tax and/or legal adviser regarding the potential tax effects of such a transaction.

**Immediate Annuities.** Under Section 72 of the Tax Code, an immediate annuity means an annuity:

- That is purchased with a single premium payment,
- With annuity payments starting within one year from the date of purchase, and
- That provides a series of substantially equal periodic payments made annually or more frequently.

While this contract is not designed as an immediate annuity, treatment as an immediate annuity would have significance with respect to exceptions from the 10% early withdrawal penalty, to contracts owned by non-natural persons, and for certain exchanges.

**Multiple Contracts.** Tax laws require that all nonqualified deferred annuity contracts that are issued by a company or its affiliates to the same contract owner during any calendar year be treated as one annuity contract for purposes of determining the amount includible in gross income under Tax Code Section 72(e). In addition, the Treasury Department has specific authority to issue regulations that prevent the avoidance of Tax Code Section 72(e) through the serial purchase of annuity contracts or otherwise.

**Withholding.** We will withhold and remit to the IRS a part of the taxable portion of each distribution made under a contract unless the distributee notifies us at or before the time of the distribution that he or she elects not to have any amounts withheld. Withholding is mandatory, however, if the distributee fails to provide a valid taxpayer identification number or if we are notified by the IRS that the taxpayer identification number we have on file is incorrect. The withholding rates applicable to the taxable portion of periodic annuity payments are the same as the withholding rates generally applicable to payments of wages. In addition, a 10% withholding rate applies to the taxable portion of any non-periodic payments. Regardless of whether you elect to have federal income tax withheld, you are still liable for payment of federal income tax on the taxable portion of the payment.

Certain states have indicated that state income tax withholding will also apply to payments from the contracts made to residents. Generally, an election out of federal withholding will also be considered an election out of state withholding. In some states, you may elect out of state withholding, even if federal withholding applies. If you need more information concerning a particular state or any required forms, please contact Customer Service.

If you or your designated beneficiary is a non-resident alien, then any withholding is governed by Tax Code Section 1441 based on the individual's citizenship, the country of domicile and treaty status, and we may require additional documentation prior to processing any requested transaction.

## *Taxation of Qualified Contracts*

### **Eligible Retirement Plans and Programs.**

The contracts may have been purchased with the following retirement plans and programs to accumulate retirement savings:

- **Sections 401(a), 401(k), Roth 401(k) and 403(a) Plans.** Prior to May 1, 1998, the contracts were available as tax-deferred annuities as described under Section 401(a) of the Tax Code. Sections 401(a), 401(k), and 403(a) of the Tax Code permit certain employers to establish various types of retirement plans for employees, and permit self-employed individuals to establish these plans for themselves and their employees. The Tax Code also allows employees of certain private employers to contribute after-tax salary contributions to a Roth 401(k) account which provides for tax-free distributions, subject to certain restrictions;
- **Individual Retirement Annuities (“IRA”) and Roth IRA.** Section 408 of the Tax Code permits eligible individuals to contribute to an individual retirement program known as an Individual Retirement Annuity (“IRA”). Certain employers may establish Simplified Employee Pension (“SEP”) plans to provide IRA contributions on behalf of their employees. Section 408A of the Tax Code permits certain eligible individuals to contribute to a Roth IRA, which provides for tax-free distributions, subject to certain restrictions. **Sales of the contract for use with IRAs or Roth IRAs may be subject to special requirements of the IRS.**

**Special Considerations for IRAs.** IRAs are subject to limits on the amounts that can be contributed, the deductible amount of the contribution, the persons who may be eligible, and the time when distributions commence. Contributions to IRAs must be made in cash or as a rollover or a transfer from another eligible plan. Also, distributions from IRAs, individual retirement accounts, and other types of retirement plans may be “rolled over” on a tax-deferred basis into an IRA. You may roll over a distribution from an IRA only once in any 12 month period. Beginning in 2015, you will not be able to roll over any portion of an IRA distribution if you rolled over a distribution during the preceding 1-year period. This limit applies by aggregating all of your IRAs, including SEP and SIMPLE IRAs as well as traditional and Roth IRAs, effectively treating them as one IRA for purposes of this limit. Please note that this one-rollover-per-year rule does not apply to: (1) the conversion of a traditional IRA to a Roth IRA, (2) a rollover to or from a qualified plan, or (3) a trustee-to-trustee transfer between IRAs. Please consult your own tax and/or legal adviser if you have additional questions about these rules.

**Special Considerations for Roth IRAs.** Contributions to a Roth IRA are subject to limits on the amount of contributions and the persons who may be eligible to contribute, are not deductible, and must be made in cash or as a rollover or transfer from another Roth IRA or other IRA. Certain qualifying individuals may convert an IRA or SEP to a Roth IRA. Such rollovers and conversions are subject to tax, and other special rules may apply. Beginning in 2015, you will not be able to roll over any portion of a Roth IRA distribution if you rolled over another IRA distribution during the preceding 1-year period. This limit applies by aggregating all of your IRAs, including SEP and SIMPLE IRAs as well as traditional and Roth IRAs, effectively treating them as one IRA for purposes of this limit. Please note that this one-rollover-per-year rule does not apply to: (1) the conversion of a traditional IRA to a Roth IRA, (2) a rollover to or from a qualified plan, or (3) a trustee-to-trustee transfer between Roth IRAs. Please consult your own tax and/or legal adviser if you have additional questions about these rules.

A 10% penalty may apply to amounts attributable to a conversion to a Roth IRA if the amounts are distributed during the five taxable years beginning with the year in which the conversion was made.

### **Taxation**

The tax rules applicable to qualified contracts vary according to the type of qualified contract, the specific terms and conditions of the qualified contract and the terms and conditions of the qualified plan or program. The ultimate effect of federal income taxes on the amounts held under a qualified contract, or on income phase (i.e., annuity) payments from a qualified contract, depends on the type of qualified contract or program and as well as your particular facts and circumstances. Special favorable tax treatment may be available for certain types of contributions and distributions. In addition, certain requirements must be satisfied in purchasing a qualified contract with proceeds from a tax-qualified plan or program in order to continue receiving favorable tax treatment.

Adverse tax consequences may result from:

- Contributions in excess of specified limits;
- Distributions before age 59½ (subject to certain exceptions);
- Distributions that do not conform to specified commencement and minimum distribution rules; and
- Other specified circumstances.

Some qualified plans and programs are subject to additional distribution or other requirements that are not incorporated into the contract described in this prospectus. No attempt is made to provide more than general information about the use of the contract with qualified plans and programs. Contract owners, annuitants, and beneficiaries are cautioned that the rights of any person to any benefit under these qualified plans and programs may be subject to the terms and conditions of the plan or program, regardless of the terms and conditions of the contract. The Company is not bound by the terms and conditions of such plans and programs to the extent such terms contradict the language of the contract, unless we consent in writing.

Contract owners and beneficiaries generally are responsible for determining that contributions, distributions and other transactions with respect to the contract comply with applicable law. **Therefore, you should seek tax and/or legal advice regarding the suitability of a contract for your particular situation.** The following discussion assumes that qualified contracts are purchased with proceeds from and/or contributions under retirement plans or programs that qualify for the intended special federal tax treatment.

**Tax Deferral.** Under federal tax laws, earnings on amounts held in annuity contracts are generally not taxed until they are withdrawn. However, in the case of a qualified plan (as described in this prospectus), an annuity contract is not necessary to obtain this favorable tax treatment and does not provide any tax benefits beyond the deferral already available to the qualified plan itself. Annuities do provide other features and benefits (such as the guaranteed death benefit or the option of lifetime income phase options at established rates) that may be valuable to you. You should discuss your alternatives with a qualified financial representative taking into account the additional fees and expenses you may incur in an annuity.

### **Contributions**

In order to be excludable from gross income for federal income tax purposes, total annual contributions to certain qualified plans and programs are limited by the Tax Code. We provide general information on these requirements for certain plans and programs below. You should consult with a tax and/or legal adviser in connection with contributions to a qualified contract.

**Section 401(a), 401(k), Roth 401(k) and 403(a) Plans.** The total annual contributions (including pre-tax and Roth 401(k) after-tax contributions) by you and your employer cannot exceed, generally, the lesser of 100% of your compensation or \$53,000 (as indexed for 2016). Compensation means your compensation for the year from the employer sponsoring the plan and includes any elective deferrals under Tax Code Section 402(g) and any amounts not includible in gross income under Tax Code Sections 125 or 457.

This limit applies to your contributions as well as to any contributions made by your employer on your behalf. An additional requirement limits your salary reduction contributions to a 401(k) or Roth 401(k) plan to generally no more than \$18,000 (2016). Contribution limits are subject to annual adjustments for cost-of-living increases. Your own limit may be higher or lower, depending upon certain conditions.

With the exception of the Roth 401(k) contributions, premium payments to your account(s) will generally be excluded from your gross income. Roth 401(k) salary reduction contributions are made on an after-tax basis.

**Catch-up Contributions.** Notwithstanding the contribution limits noted above, if permitted by the plan, a participant in a 401(k) or Roth 401(k) plan who is at least age 50 by the end of the plan year may contribute an additional amount not to exceed the lesser of:

- \$6,000; or
- The participant's compensation for the year reduced by any other elective deferrals of the participant for the year.

### **Distributions - General**

Certain tax rules apply to distributions from the contract. A distribution is any amount taken from a contract including withdrawals, income phase (i.e., annuity) payments, rollovers, exchanges and death benefit proceeds. We report the gross and taxable portions of all distributions to the IRS.

**Section 401(a), 401(k) and 403(a) Plans.** Distributions from these plans are taxed as received unless one of the following is true:

- The distribution is an eligible rollover distribution and is directly transferred or rolled over within 60 days to another plan eligible to receive rollovers or to a traditional IRA in accordance with the Tax Code;
- You made after-tax contributions to the plan. In this case, depending upon the type of distribution, the amount will be taxed according to the rules detailed in the Tax Code; or
- The distribution is a qualified health insurance premium of a retired public safety officer as defined in the Pension Protection Act of 2006.

Please note that rollover distribution of a pre-tax account is reported as a taxable distribution.

A distribution is an eligible rollover distribution unless it is:

- Part of a series of substantially equal periodic payments (at least one per year) made over the life expectancy of the participant or the joint life expectancy of the participant and his designated beneficiary or for a specified period of 10 years or more;
- A required minimum distribution under Tax Code Section 401(a)(9);
- A hardship withdrawal;
- Otherwise excludable from income; or
- Not recognized under applicable regulations as eligible for rollover.

**IRAs.** All distributions from an IRA are taxed as received unless either one of the following is true:

- The distribution is directly transferred to another IRA or to a plan eligible to receive rollovers as permitted under the Tax Code; or
- You made after-tax contributions to the IRA. In this case, the distribution will be taxed according to rules detailed in the Tax Code.

**10% Additional Tax.** The Tax Code imposes a 10% additional tax on the taxable portion of any distribution from a contract used with a 401(a), 401(k) or 403(a) plan (collectively, qualified plans), or IRA or Roth IRA unless certain exceptions, including one or more of the following, have occurred:

- You have attained age 59½;
- You have become disabled, as defined in the Tax Code;
- You have died and the distribution is to your beneficiary;
- You have separated from service with the plan sponsor at or after age 55;
- The distribution amount is rolled over into another eligible retirement plan or to a traditional or Roth IRA in accordance with the terms of the Tax Code;
- You have separated from service with the plan sponsor and the distribution amount is made in substantially equal periodic payments (at least annually) over your life or the life expectancy or the joint lives or joint life expectancies of you and your designated beneficiary;
- The distribution is paid directly to the government in accordance with an IRS levy;
- The withdrawal amount is paid to an alternate payee under a Qualified Domestic Relations Order (QDRO); or
- The distribution is a qualified reservist distribution as defined under the Tax Code.

In addition, the 10% additional tax does not apply to the amount of a distribution equal to unreimbursed medical expenses incurred by you during the taxable year that qualify for deduction as specified in the Tax Code. The Tax Code may provide other exceptions or impose other penalties in other circumstances.

**Qualified Distributions - Roth 401(k) and Roth IRAs.** A partial or full distribution of premium payments to a Roth 401(k) or Roth IRA account and earnings credited on those premium payments will be excludable from income if it is a qualified distribution. A “qualified distribution” from a Roth 401(k) or Roth IRA account is defined as a distribution that meets the following two requirements:

- The distribution occurs after the five-year taxable period measured from the earlier of:
  - The first taxable year you made a designated Roth contribution to any designated Roth account established for you under the same applicable retirement plan as defined in Tax Code Section 402A;
  - If a rollover contribution was made from a designated Roth account previously established for you under another applicable retirement plan, the first taxable year for which you made a designated Roth contribution to such previously established account; or
  - The first taxable year in which you made an in-plan Roth rollover of non-Roth amounts under the same plan; AND
- The distribution occurs after you attain age 59½, die with payment being made to your beneficiary, or become disabled as defined in the Tax Code.

A distribution from a Roth account that is not a qualified distribution is includible in gross income under the Tax Code in proportion to your investment in the contract (basis) and earnings on the contract.

## Distributions - Eligibility

**401(a) Pension Plans.** Subject to the terms of your 401(a) pension plan, distributions may only occur upon:

- Retirement;
- Death;
- Disability;
- Severance from employment;
- Attainment of normal retirement age;
- Attainment of age 62 under a phased retirement provision if available under your plan as described in the Pension Protection Act of 2006; or
- Termination of the plan.

Such distributions remain subject to other applicable restrictions under the Tax Code.

**401(k) and Roth 401(k) Plans.** Subject to the terms of your 401(k) plan, distributions from your 401(k) or Roth 401(k) employee account, and possibly all or a portion of your 401(k) or Roth 401(k) employer account, may only occur upon:

- Retirement;
- Death;
- Attainment of age 59½;
- Severance from employment;
- Disability;
- Financial Hardship (contributions only, not earnings); or
- Termination of the plan (assets must be distributed within one year).

Such distributions remain subject to other applicable restrictions under the Tax Code.

## Lifetime Required Minimum Distributions (Sections 401(a), 401(k), Roth 401(k), 403(a) and IRAs).

To avoid certain tax penalties, you and any designated beneficiary must also satisfy the required minimum distribution rules set forth in the Tax Code. These rules may dictate the following:

- Start date for distributions;
- The time period in which all amounts in your account(s) must be distributed; and
- Distribution amounts.

**Start Date.** Generally, you must begin receiving distributions by April 1 of the calendar year following the calendar year in which you attain age 70½ or retire, whichever occurs later, unless under 401(a) and 401(k) plans, you are a 5% owner, in which case such distributions must begin by April 1 of the calendar year following the calendar year in which you attain age 70½.

**Time Period.** We must pay out distributions from the contract over a period not extending beyond one of the following time periods:

- Over your life or the joint lives of you and your designated beneficiary; or
- Over a period not greater than your life expectancy or the joint life expectancies of you and your designated beneficiary.

**Distribution Amounts.** The amount of each required minimum distribution must be calculated in accordance with Tax Code Section 401(a)(9). The entire interest in the account includes the amount of any outstanding rollover, transfer, recharacterization, if applicable, and the actuarial present value of other benefits provided under the account, such as guaranteed death benefits and any optional living benefit.

**50% Excise Tax.** If you fail to receive the required minimum distribution for any tax year, a 50% excise tax may be imposed on the required amount that was not distributed.

Lifetime required minimum distributions are not applicable to Roth IRAs during your lifetime. Further information regarding required minimum distributions may be found in your contract.

## **Required Distributions Upon Death (Sections 401(a), 401(k), Roth 401(k), 403(a), IRAs and Roth IRAs).**

Different distribution requirements apply after your death, depending upon if you have been receiving required minimum distributions. Further information regarding required distributions upon death may be found in your contract.

If your death occurs on or after you begin receiving minimum distributions under the contract, distributions generally must be made at least as rapidly as under the method in effect at the time of your death. Tax Code Section 401(a)(9) provides specific rules for calculating the required minimum distributions after your death.

If your death occurs before you begin receiving minimum distributions under the contract, your entire balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the date of your death. For example, if you die on September 1, 2016, your entire balance must be distributed to the designated beneficiary by December 31, 2021. However, if distributions begin by December 31 of the calendar year following the calendar year of your death, and you have named a designated beneficiary, then payments may be made over either of the following time frames:

- Over the life of the designated beneficiary; or
- Over a period not extending beyond the life expectancy of the designated beneficiary.

**Start Dates for Spousal Beneficiaries.** If the designated beneficiary is your spouse, distributions must begin on or before the later of the following:

- December 31 of the calendar year following the calendar year of your death; or
- December 31 of the calendar year in which you would have attained age 70½.

**No Designated Beneficiary.** If there is no designated beneficiary, the entire interest generally must be distributed by the end of the calendar containing the fifth anniversary of the contract owner's death.

**Special Rule for IRA Spousal Beneficiaries (IRAs and Roth IRAs Only).** In lieu of taking a distribution under these rules, if the sole designated beneficiary is the contract owner's surviving spouse, the spousal beneficiary may elect to treat the contract as his or her own IRA and defer taking a distribution until his or her own start date. The surviving spouse is deemed to have made such an election if the surviving spouse makes a rollover to or from the contract or fails to take a distribution within the required time period.

## **Withholding**

Any taxable distributions under the contract are generally subject to withholding. Federal income tax withholding rates vary according to the type of distribution and the recipient's tax status.

**401(a), 401(k), Roth 401(k) and 403(a) Plans.** Generally, eligible rollover distributions from these plans are subject to a mandatory 20% federal income tax withholding. However, mandatory withholding will not be required if you elect a direct rollover of the distributions to an eligible retirement plan or in the case of certain distributions described in the Tax Code.

**IRAs and Roth IRAs.** Generally, you or, if applicable, a designated beneficiary may elect not to have tax withheld from distributions.

**Non-resident Aliens.** If you or your designated beneficiary is a non-resident alien, withholding will generally be 30% based on the individual's citizenship, the country of domicile and treaty status. We may require additional documentation prior to processing any requested distribution.

## **Assignment and Other Transfers**

**Section 401(a), 401(k), Roth 401(k) and 403(a) Plans.** Adverse tax consequences to the plan and/or to you may result if your beneficial interest in the contract is assigned or transferred to persons other than:

- A plan participant as a means to provide benefit payments;
- An alternate payee under a QDRO in accordance with Tax Code Section 414(p);
- The Company as collateral for a loan; or
- The enforcement of a federal income tax lien or levy.

**IRAs and Roth IRAs.** The Tax Code does not allow a transfer or assignment of your rights under these contracts except in limited circumstances. Adverse tax consequences may result if you assign or transfer your interest in the contract to persons other than your spouse incident to a divorce. Anyone contemplating such an assignment or transfer should contact a tax and/or legal adviser regarding the potential tax effects of such a transaction.

### **Same-Sex Marriages**

The contract provides that upon your death a surviving spouse may have certain continuation rights that he or she may elect to exercise for the contract's death benefit and any joint-life coverage under a living benefit. All contract provisions relating to spousal continuation are available only to a person who meets the definition of "spouse" under federal law. The U.S. Supreme Court has held that same-sex marriages must be permitted under state law and that marriages recognized under state law will be recognized for federal law purposes. Domestic partnerships and civil unions that are not recognized as legal marriages under state law, however, will not be treated as marriages under federal law. Please consult your tax and/or legal adviser for further information about this subject.

### ***Possible Changes in Taxation***

Although the likelihood of changes in tax legislation, regulation, rulings and other interpretation thereof is uncertain, there is always the possibility that the tax treatment of the contracts could change by legislation or other means. It is also possible that any change could be retroactive (that is, effective before the date of the change). You should consult a tax and/or legal adviser with respect to legislative developments and their effect on the contract.

### ***Taxation of Company***

We are taxed as a life insurance company under the Tax Code. The separate account is not a separate entity from us. Therefore, it is not taxed separately as a "regulated investment company," but is taxed as part of the Company.

We automatically apply investment income and capital gains attributable to the separate account to increase reserves under the contracts. Because of this, under existing federal tax law we believe that any such income and gains will not be taxed to the extent that such income and gains are applied to increase reserves under the contracts. In addition, any foreign tax credits attributable to the separate account will be first used to reduce any income taxes imposed on the separate account before being used by the Company.

In summary, we do not expect that we will incur any federal income tax liability attributable to the separate account and we do not intend to make any provision for such taxes. However, changes in federal tax laws and/or their interpretation thereof may result in our being taxed on income or gains attributable to the separate account. In this case, we may impose a charge against the separate account (with respect to some or all of the contracts) to set aside provisions to pay such taxes. We may deduct this amount from the separate account, including from your account value invested in the subaccounts.

## **OTHER TOPICS**

### **Order Processing**

In certain circumstances, we may need to correct the pricing associated with an order that has been processed. In such circumstances, we may incur a loss or receive a gain depending upon the price of the fund when the order was executed and the price of the fund when the order is corrected. Losses may be covered from our assets and gains that may result from such order correction will be retained by us as additional compensation associated with order processing.

### **Variable Annuity Account B**

We established Variable Annuity Account B (the "separate account") under Connecticut Law in 1976 as a continuation of the separate account established in 1974 under Arkansas law of Aetna Variable Annuity Life Insurance Company. The separate account was established as a segregated asset account to fund variable annuity contracts. The separate account is registered as a unit investment trust under the Investment Company Act of 1940, as amended (the "1940 Act"). It also meets the definition of "separate account" under the federal securities laws.

Although we hold title to the assets of the separate account, such assets are not chargeable with the liabilities of any other business that we conduct. Income, gains or losses, whether or not realized, of the separate account are credited to or charged against the assets of the separate account without regard to other income, gains or losses of the Company. All obligations arising under the contracts are obligations of the Company. All guarantees and benefits provided under the contract that are not related to the separate account are subject to the claims paying ability of the Company and our general account.

## The Company

Voya Retirement Insurance and Annuity Company (the “Company,” “we,” “us,” “our”) issues the contracts described in this prospectus and is responsible for providing each contract’s insurance and annuity benefits. All guarantees and benefits provided under the contracts that are not related to the separate account are subject to the claims paying ability of the Company and our general account. We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976. Prior to January 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company. From January 1, 2002, until August 31, 2014, the Company was known as ING Life Insurance and Annuity Company.

We are an indirect, wholly owned subsidiary of Voya Financial, Inc. (“Voya<sup>®</sup>”), which until April 7, 2014, was known as ING U.S., Inc. In May 2013 the common stock of Voya began trading on the New York Stock Exchange under the symbol “VOYA” and Voya completed its initial public offering of common stock.

We are engaged in the business of selling insurance and annuities and providing financial services in the United States. We are authorized to conduct business in all states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. Our principal executive offices are located at:

One Orange Way  
Windsor, Connecticut 06095-4774

**Product Regulation.** Our annuity, retirement and investment products are subject to a complex and extensive array of state and federal tax, securities, insurance and employee benefit plan laws and regulations, which are administered and enforced by a number of different governmental and self-regulatory authorities, including state insurance regulators, state securities administrators, state banking authorities, the SEC, the Financial Industry Regulatory Authority (“FINRA”), The Department of Labor (“DOL”), the IRS and the Office of the Comptroller of the Currency (“OCC”). For example, U.S. federal income tax law imposes requirements relating to insurance and annuity product design, administration and investments that are conditions for beneficial tax treatment of such products under the Tax Code. **See “FEDERAL TAX CONSIDERATIONS” for further discussion of some of these requirements.** Additionally, state and federal securities and insurance laws impose requirements relating to insurance and annuity product design, offering and distribution and administration. Failure to administer product features in accordance with contract provisions or applicable law, or to meet any of these complex tax, securities, or insurance requirements could subject us to administrative penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm to our reputation, interruption of our operations or adversely impact profitability.

## Contract Distribution

The Company’s subsidiary, Voya Financial Partners, LLC, serves as the principal underwriter (distributor) for the contracts. Voya Financial Partners, LLC, a Delaware limited liability company, is registered as a broker-dealer with the SEC. Voya Financial Partners, LLC is also a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the Securities Investor Protection Corporation. Voya Financial Partners, LLC’s principal office is located at One Orange Way, Windsor, Connecticut 06095-4774.

This contract is no longer available for new purchasers.

The contracts are offered to the public by individuals who are registered representatives of Voya Financial Partners, LLC or other broker-dealers which have entered into a selling arrangement with Voya Financial Partners, LLC. We refer to Voya Financial Partners, LLC and the other broker-dealers selling the contracts as “distributors.” Voya Financial Advisors, Inc. is a distributor affiliated with the Company that has entered into a selling agreement with Voya Financial Partners, LLC for the sale of our variable annuity contracts.

All registered representatives selling the contracts must also be licensed as insurance agents for the Company.

Registered representatives of distributors who solicit sales of the contracts typically receive a portion of the compensation paid to the distributor in the form of commissions or other compensation, depending upon the agreement between the distributor and the registered representative. This compensation, as well as other incentives or payments, is not paid directly by contract owners or the Separate Account. We intend to recoup this compensation and other sales expenses paid to distributors through fees and charges imposed under the contracts.

**Commission Payments.** Persons who offer and sell the contracts may be paid a commission. The maximum percentage amount that may be paid with respect to a given purchase payment is the first-year percentage which ranges from 0% to a maximum of 7.0% of the first year of payments to an account. Renewal commissions paid on payments made after the first year and asset-based service fees may also be paid.

We may also pay ongoing annual compensation of up to 1.00% of the commissions paid during the year in connection with certain premium received during that year, if the registered representative attains a certain threshold of sales of Company contracts. Individual registered representatives may receive all or a portion of compensation paid to their distributor, depending upon the firm’s practices. Commissions and annual payments, when combined, could exceed 7.0% of total premium payments. To the extent permitted by SEC and FINRA rules and other applicable laws and regulations, we may also pay or allow other promotional incentives or payments in the form of cash payments or other compensation to distributors, which may require the registered representative to attain a certain threshold of sales of Company products.

We may also enter into special compensation arrangements with certain distributors based on those firms’ aggregate or anticipated sales of the contracts or other criteria. These special compensation arrangements will not be offered to all distributors, and the terms of such arrangements may differ among distributors based on various factors. Any such compensation payable to a distributor will not result in any additional direct charge to you by us.

Some sales personnel may receive various types of non-cash compensation as special sales incentives, including trips, and we may also pay for some sales personnel to attend educational and/or business seminars. Any such compensation will be paid in accordance with SEC and FINRA rules. Management personnel of the Company, and of its affiliated broker-dealers, may receive additional compensation if the overall amount of investments in funds advised by the Company or its affiliates meets certain target levels or increases over time. Compensation for certain management personnel, including sales management personnel, may be enhanced if the overall amount of investments in the contracts and other products issued or advised by the Company or its affiliates increases over time. Certain sales management personnel may also receive compensation that is a specific percentage of the commissions paid to distributors or of purchase payments received under the contracts.

In addition to direct cash compensation for sales of contracts described above, Voya Financial Partners, LLC may also pay distributors additional compensation or reimbursement of expenses for their efforts in selling the contracts to you and other customers. These amounts may include:

- Marketing/distribution allowances which may be based on the percentages of premium received, the aggregate commissions paid and/or the aggregate assets held in relation to certain types of designated insurance products issued by the Company and/or its affiliates during the year;
- Loans or advances of commissions in anticipation of future receipt of premiums (a form of lending to agents/registered representatives). These loans may have advantageous terms such as reduction or elimination of the interest charged on the loan and/or forgiveness of the principal amount of the loan, which terms may be conditioned on fixed insurance product sales;
- Education and training allowances to facilitate our attendance at certain educational and training meetings to provide information and training about our products. We also hold training programs from time to time at our expense;
- Sponsorship payments or reimbursements for broker/dealers to use in sales contests and/or meetings for their agents/registered representatives who sell our products. We do not hold contests based solely on the sales of this product;
- Certain overrides and other benefits that may include cash compensation based on the amount of earned commissions, agent/representative recruiting or other activities that promote the sale of policies; and

- Additional cash or noncash compensation and reimbursements permissible under existing law. This may include, but is not limited to, cash incentives, merchandise, trips, occasional entertainment, meals and tickets to sporting events, client appreciation events, business and educational enhancement items, payment for travel expenses (including meals and lodging) to pre-approved training and education seminars, and payment for advertising and sales campaigns.

We may pay commissions, dealer concessions, wholesaling fees, overrides, bonuses, other allowances and benefits and the costs of all other incentives or training programs from our resources, which include the fees and charges imposed under the contracts.

The following is a list of the top 25 distributors that, during 2015, received the most compensation, in the aggregate, from us in connection with the sale of registered variable annuity contracts issued by the Company, ranked by total dollars received:

- |                                                 |                                                  |
|-------------------------------------------------|--------------------------------------------------|
| 1. Signator Financial Services, Inc.            | 14. Lincoln Investment Planning Inc.             |
| 2. LPL Financial Corporation                    | 15. Royal Alliance Associates, Inc.              |
| 3. Morgan Stanley Smith Barney LLC              | 16. NYLIFE Securities LLC                        |
| 4. Voya Financial Advisors, Inc.                | 17. Northwestern Mutual Investment Services, LLC |
| 5. Regulus Advisors, LLC                        | 18. Raymond James Financial Services, Inc.       |
| 6. Cetera Financial Group                       | 19. Ameriprise Financial Services, Inc.          |
| 7. Woodbury Financial Services, Inc.            | 20. Lincoln Financial Advisors Corporation       |
| 8. NFP Advisor Services, LLC                    | 21. Cadaret, Grant & Co., Inc.                   |
| 9. American Portfolios Financial Services, Inc. | 22. Lockton Financial Advisors, LLC              |
| 10. PlanMember Securities Corporation           | 23. First Allied Securities, Inc.                |
| 11. Securities America, Inc.                    | 24. National Planning Corporation                |
| 12. MetLife Securities, Inc.                    | 25. Oneida Wealth Management, Inc.               |
| 13. GWN Securities, Inc.                        |                                                  |

This is a general discussion of the types and levels of compensation paid by us for the sale of our variable annuity contracts. It is important for you to know that the payment of volume- or sales-based compensation to a distributor or registered representative may provide that registered representative a financial incentive to promote our contracts over those of another Company, and may also provide a financial incentive to promote one of our contracts over another.

#### **Payment Delay or Suspension**

We reserve the right to suspend or postpone the date of any payment of benefits or values under any one of the following circumstances:

- On any valuation date when the NYSE is closed (except customary weekend and holiday closings) or when trading on the NYSE is restricted;
- When an emergency exists as determined by the SEC so that disposal of the securities held in the subaccounts is not reasonably practicable or it is not reasonably practicable to fairly determine the value of the subaccount's assets; or
- During any other periods the SEC may by order permit for the protection of investors.

The conditions under which restricted trading or an emergency exists shall be determined by the rules and regulations of the SEC.

**Selection of Underlying Funds.** The underlying funds available through the contract described in this prospectus are determined by the Company but ultimately selected by the Plan Sponsor. When determining which underlying funds to make available we may consider various factors, including, but not limited to, asset class coverage, the alignment of the investment objectives of an underlying fund with our hedging strategy, the strength of the adviser's or sub-adviser's reputation and tenure, brand recognition, performance, and the capability and qualification of each investment firm. Another factor that we may consider is whether the underlying fund or its service providers (e.g., the investment adviser or sub-advisers) or its affiliates will make payments to us or our affiliates in connection with certain administrative, marketing, and support services, or whether affiliates of the fund can provide marketing and distribution support for sales of the contracts. (For additional information on these arrangements, please refer to the section of this prospectus entitled "**Revenue From the Funds.**") We review the funds periodically and may, subject to certain limits or restrictions, remove a fund or limit its availability to new contributions and/or transfers of account value if we determine that a fund no longer satisfies one or more of the selection criteria, and/or if the fund has not attracted significant allocations under the contract. We have included the certain of the funds at least in part because they are managed or sub-advised by our affiliates.

We do not recommend or endorse any particular fund and we do not provide investment advice.

## **Voting Rights**

Each of the subaccounts holds shares in a fund and each is entitled to vote at regular and special meetings of that fund. Under our current view of applicable law, we will vote the shares for each subaccount as instructed by persons having a voting interest in the subaccount. If, however, we determine that we are permitted to vote the shares in our own right, we may do so.

If you are a contract holder under a group contract, you have a fully vested interest in the contract and may instruct the group contract holder how to direct the Company to cast a certain number of votes. We will vote shares for which instructions have not been received in the same proportion as those for which we received instructions. Accordingly, it is possible for a small number of persons (assuming there is a quorum) to determine the outcome of a vote.

Each person who has a voting interest in the separate account will receive periodic reports relating to the funds in which he or she has an interest, as well as any proxy materials and a form on which to give voting instructions. Voting instructions will be solicited by a written communication at least 14 days before the meeting.

The number of votes (including fractional votes) you are entitled to direct will be determined as of the record date set by any fund you invest in through the subaccounts.

- During the accumulation phase the number of votes is equal to the portion of your account value invested in the fund, divided by the net asset value of one share of that fund.
- During the income phase the number of votes is equal to the portion of reserves set aside for the contract's share of the fund, divided by the net asset value of one share of that fund.

## **Contract Modifications**

We may change the contract as required by federal or state law or as otherwise permitted in the contract. In addition, we may, upon 30 days' written notice to the group contract holder, make other changes to a group contract that would apply only to individuals who become participants under that contract after the effective date of such changes. If a group contract holder does not agree to a change, we reserve the right to refuse to establish new accounts under the contract. Certain changes will require the approval of appropriate state or federal regulatory authorities.

## **Transfer of Ownership: Assignment**

We will accept assignments or transfers of ownership of a nonqualified contract or a qualified contract where such assignments or transfers are not prohibited, with proper notification. The date of any assignment or transfer of ownership will be the date we receive the notification at Customer Service. An assignment or transfer of ownership may have tax consequences and you should consult with a tax and/or legal adviser before assigning or transferring ownership of the contract.

An assignment of a contract will only be binding on the Company if it is made in writing and sent to the Company to Customer Service. We will use reasonable procedures to confirm that the assignment is authentic, including verification of signature. If we fail to follow our own procedures, we will be liable for any losses to you directly resulting from such failure. Otherwise, we are not responsible for the validity of any assignment. The rights of the contract holder and the interest of the annuitant and any beneficiary will be subject to the rights of any assignee we have on our records.

## **Involuntary Terminations**

We reserve the right to terminate any account with a value of \$2,500 or less immediately following a partial withdrawal. However, an IRA may only be closed out when payments to the contract have not been received for a 24-month period and the paid-up annuity benefit at maturity would be less than \$20 per month. If such right is exercised, you will be given 90 days' advance written notice. No early withdrawal charge will be deducted for involuntary terminations. We do not intend to exercise this right in cases where the account value is reduced to \$2,500 or less solely due to investment performance.

## Legal Proceedings

We are not aware of any pending legal proceedings that are likely to have a material adverse effect upon the Company's ability to meet its obligations under the contract, Voya Financial Partners, LLC ability to distribute the contract or upon the separate account.

**Litigation.** Notwithstanding the foregoing, the Company and/or Voya Financial Partners, LLC, is a defendant in a number of litigation matters arising from the conduct of its business, both in the ordinary course and otherwise. In some of these matters, claimants seek to recover very large or indeterminate amounts, including compensatory, punitive, treble and exemplary damages. Certain claims are asserted as class actions. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages and other relief. The variability in pleading requirements and past experience demonstrates that the monetary and other relief that may be requested in a lawsuit or claim oftentimes bears little relevance to the merits or potential value of a claim.

**Regulatory Matters.** As with other financial services companies, the Company and its affiliates, including Voya Financial Partners, LLC, periodically receive informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the Company or the financial services industry. It is the practice of the Company to cooperate fully in these matters. Regulatory investigations, exams, inquiries and audits could result in regulatory action against the Company or subject the Company to settlement payments, fines, penalties and other financial consequences, as well as changes to the Company's policies and procedures.

The outcome of a litigation or regulatory matter and the amount or range of potential loss is difficult to forecast and estimating potential losses requires significant management judgment. It is not possible to predict the ultimate outcome for all pending litigation and regulatory matters and given the large and indeterminate amounts sought and the inherent unpredictability of such matters, it is possible that an adverse outcome in certain litigation or regulatory matters could, from time to time, have a material adverse effect upon the Company's results of operations or cash flows in a particular quarterly or annual period.

---

## STATEMENT OF ADDITIONAL INFORMATION

---

The SAI contains more specific information on the separate account and the contract, as well as the financial statements of the separate account and the Company. The following is a list of the contents of the SAI.

General Information and History .....	2
Variable Annuity Account B.....	2
Offering and Purchase of Contracts .....	3
Income Phase Payments .....	3
Sales Material and Advertising .....	4
Experts .....	4
Financial Statements of the Separate Account .....	S-1
Consolidated Financial Statements of Voya Retirement Insurance and Annuity Company .....	C-1

---

This Page Intentionally Left Blank

*Please tear off, complete and return the form below to order a free Statement of Additional Information for the contracts offered under the prospectus, free of charge. Address the form to Customer Service; the address is shown on the prospectus cover.*

-----

**PLEASE SEND ME:**

**A FREE COPY OF THE STATEMENT OF ADDITIONAL INFORMATION FOR VARIABLE ANNUITY ACCOUNT B, VOYA MARATHON PLUS, 033-34370.**

Please Print or Type:

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Street Address**

\_\_\_\_\_  
**City, State, Zip**

MARPL - Voya Marathon Plus

05/01/2016



## VOYA GUARANTEED ACCOUNT

**The Voya Guaranteed Account (the Guaranteed Account) is a fixed interest option available during the accumulation phase under the contract. This Appendix is only a summary of certain facts about the Guaranteed Account. Please read the Guaranteed Account prospectus carefully before investing in this option.**

**In General.** Amounts invested in the Guaranteed Account earn specified interest rates if left in the Guaranteed Account for specified periods of time. If you withdraw or transfer those amounts before the specified periods elapse, we may apply a market value adjustment (described below) which may be positive or negative.

- When deciding to invest in the Guaranteed Account, contact your sales representative or the Company to learn: The interest rate(s) we will apply to amounts invested in the Guaranteed Account. We change the rate(s) periodically. Be certain you know the rate we guarantee on the day your account dollars are invested in the Guaranteed Account. Guaranteed interest rates will never be less than an annual effective rate of 3%.
- The period of time your account dollars need to remain in the Guaranteed Account in order to earn the rate(s). You are required to leave your account dollars in the Guaranteed Account for a specified period of time in order to earn the guaranteed interest rate(s).

**Deposit Period.** During a deposit period, we offer a specific interest rate for dollars invested for a certain guaranteed term. For a specific interest rate and guaranteed term to apply, account dollars must be invested in the Guaranteed Account during the deposit period for which that rate and term are offered.

**Interest Rates.** We guarantee different interest rates, depending upon when account dollars are invested in the Guaranteed Account. For guaranteed terms one year or longer, we may apply more than one specified interest rate. The interest rate we guarantee is an annual effective yield. That means the rate reflects a full year's interest. We credit interest daily at a rate that will provide the guaranteed annual effective yield over one year. Guaranteed interest rates will never be less than an annual effective rate of 3%. Among other factors, the safety of the interest rate guarantees depends upon the Company's claims-paying ability.

**Guaranteed Terms.** The guaranteed term is the period of time account dollars must be left in the Guaranteed Account in order to earn the guaranteed interest rate. For guaranteed terms one year or longer, we may offer different rates for specified time periods within a guaranteed term. We offer different guaranteed terms at different times. We also may offer more than one guaranteed term of the same duration with different interest rates. Check with your sales representative or Customer Service to learn what terms are being offered. The Company also reserves the right to limit the number of guaranteed terms or the availability of certain guaranteed terms.

**Fees and Other Deductions.** If all or a portion of your account value in the Guaranteed Account is withdrawn or transferred, you may incur one or more of the following:

- Market Value Adjustment (MVA) – as described in this appendix and in the Guaranteed Account prospectus;
- Tax penalties and/or tax withholding – see “**Federal Tax Considerations;**”
- Early withdrawal charge – see “**Fees;**” or
- Maintenance fee – see “**Fees.**”

We do not make deductions from amounts in the Guaranteed Account to cover mortality and expense risks. Rather, we consider these risks when determining the interest rate to be credited.

**Market Value Adjustment (MVA).** If your account value is withdrawn or transferred from the Guaranteed Account before the guaranteed term is completed, an MVA may apply. The MVA reflects investment value changes caused by changes in interest rates occurring since the date of deposit. The MVA may be positive or negative.

If interest rates at the time of withdrawal or transfer have increased since the date of deposit, the value of the investment decreases and the MVA will be negative. This could result in your receiving less than the amount you paid into the Guaranteed Account. If interest rates at the time of withdrawal or transfer have decreased since the date of deposit, the value of the investment increases and the MVA will be positive.

**MVA Waiver.** For withdrawals or transfers from a guaranteed term before the guaranteed term matures, the MVA may be waived for:

- Transfers due to participation in the dollar cost averaging program;
- Withdrawals taken due to your election of SWO or ECO (described in “**Systematic Distribution Options**”), if available;
- Withdrawals for minimum distributions required by the Tax Code and for which the early withdrawal charge is waived; and
- Withdrawals due to your exercise of the right to cancel your contract (described in “**Right to Cancel**”).

**Death Benefit.** When a death benefit is paid under the contract within six months of the date of death, only a positive aggregate MVA amount, if any, is applied to the account value attributable to amounts withdrawn from the Guaranteed Account. This provision does not apply upon the death of a spousal beneficiary or joint contract holder who continued the account after the first death. If a death benefit is paid more than six months from the date of death, a positive or negative aggregate MVA amount, as applicable, will be applied, except under certain contracts issued in the State of New York.

**Partial Withdrawals.** For partial withdrawals during the accumulation phase, amounts to be withdrawn from the Guaranteed Account will be withdrawn pro-rata from each group of deposits having the same length of time until the maturity date (“Guaranteed Term Group”). Within each Guaranteed Term Group, the amount will be withdrawn first from the oldest deposit period, then from the next oldest and so on until the amount requested is satisfied.

**Guaranteed Terms Maturity.** As a guaranteed term matures, assets accumulating under the Guaranteed Account may be (a) transferred to a new guaranteed term, (b) transferred to other available investment options, or (c) withdrawn. Amounts withdrawn may be subject to an early withdrawal charge, taxation and, if you are under age 59½, tax penalties may apply.

If no direction is received from you at Customer Service by the maturity date of a guaranteed term, the amount from the maturing guaranteed term will be transferred to a new guaranteed term of a similar length. If the same guaranteed term is no longer available, the next shortest guaranteed term available in the current deposit period will be used. If no shorter guaranteed term is available, the next longer guaranteed term will be used.

If you do not provide instructions concerning the maturity value of a maturing guaranteed term, the maturity value transfer provision applies. This provision allows transfers or withdrawals without an MVA if the transfer or withdrawal occurs during the calendar month immediately following a guaranteed term maturity date. This waiver of the MVA only applies to the first transaction regardless of the amount involved in the transaction.

Under the Guaranteed Account each guaranteed term is counted as one funding option. If a guaranteed term matures and is renewed for the same term, it will not count as an additional investment option for purposes of any limitation on the number of investment options.

**Subsequent Purchase Payments.** Purchase payments received after your initial purchase payment to the Guaranteed Account will be allocated in the same proportions as the last allocation, unless you properly instruct us to do otherwise. If the same guaranteed term(s) is not available, the next shortest term will be used. If no shorter guaranteed term is available, the next longer guaranteed term will be used.

**Dollar Cost Averaging.** The Company may offer more than one guaranteed term of the same duration and credit one with a higher rate contingent upon use only with the dollar cost averaging program. If amounts are applied to a guaranteed term which is credited with a higher rate using dollar cost averaging and the dollar cost averaging is discontinued, the amounts will be transferred to another guaranteed term of the same duration and an MVA will apply.

**Transfer of Account Dollars.** Generally, account dollars invested in the Guaranteed Account may be transferred among guaranteed terms offered through the Guaranteed Account and/or to other investment options offered through the contract. However, transfers may not be made during the deposit period in which your account dollars are invested in the Guaranteed Account or for 90 days after the close of that deposit period. We will apply an MVA to transfers made before the end of a guaranteed term. The 90-day wait does not apply to (1) amounts transferred on the maturity date or under the maturity value transfer provision; (2) amounts transferred from the Guaranteed Account before the maturity date due to the election of an income phase payment option; (3) amounts distributed under the ECO or SWO (see “**Systematic Distribution Options**”); and (4) amounts transferred from an available guaranteed term in connection with the dollar cost averaging program.

Transfers after the 90-day period are permitted from guaranteed term(s) to other guaranteed term(s) available during a deposit period or to other available investment options. Transfers of the Guaranteed Account values on or within one calendar month of a term's maturity date are not counted as one of the 12 free transfers of accumulated values in the account.

**Reinstating Amounts Withdrawn from the Guaranteed Account.** If amounts are withdrawn and then reinstated in the Guaranteed Account, we apply the reinstated amount to the current deposit period. This means the guaranteed annual interest rate and guaranteed terms available on the date of reinstatement will apply. We reinstate amounts proportionately in the same way as they were allocated before withdrawal. We will not credit your account for market value adjustments that we deducted at the time of withdrawal or refund any taxes that were withheld.

**The Income Phase.** The Guaranteed Account cannot be used as an investment option during the income phase. However, you may notify us at least 30 days in advance to elect a fixed or variable payment option and to transfer your Guaranteed Account dollars to the general account or any of the subaccounts available during the income phase. Transfers made due to the election of a lifetime income phase payment option will be subject to only a positive aggregate MVA.

**Distribution.** The Company's affiliate, Voya Financial Partners, LLC serves as the principal underwriter of the contract. Voya Financial Partners, LLC, a Delaware limited liability company, is registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 as a broker-dealer and is a member of FINRA and the Securities Investor Protection Corporation. From time to time Voya Financial may offer customers of certain broker-dealers special guaranteed rates in connection with the Guaranteed Account offered through the contract and may negotiate different commissions for these broker-dealers.

## FIXED ACCOUNT

### General Disclosure.

- The Fixed Account is an investment option available during the accumulation phase under the contract.
- Amounts allocated to the Fixed Account are held in the Company's general account which supports insurance and annuity obligations.
- Interests in the Fixed Account have not been registered with the SEC in reliance on exemptions under the Securities Act of 1933, as amended.
- Disclosure in this prospectus regarding the Fixed Account may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of the statements.
- Disclosure in this appendix regarding the Fixed Account has not been reviewed by the SEC.
- Additional information about this option may be found in the contract.

### Interest Rates.

- The Fixed Account guarantees that amounts allocated to this option will earn the minimum interest rate specified in the contract. We may credit a higher interest rate from time to time, but the rate we credit will never fall below the guaranteed minimum specified in the contract. Amounts applied to the Fixed Account will earn the interest rate in effect at the time money is applied. Amounts in the Fixed Account will reflect a compound interest rate as credited by us. The rate we quote is an annual effective yield. Among other factors, the safety of the interest rate guarantees depends upon the Company's claims-paying ability.
- Our determination of credited interest rates reflects a number of factors, including mortality and expense risks, interest rate guarantees, the investment income earned on invested assets and the amortization of any capital gains and/or losses realized on the sale of invested assets. Under this option we assume the risk of investment gain or loss by guaranteeing the amounts you allocate to this option and promising a minimum interest rate and income phase payment.

**Dollar Cost Averaging.** Amounts you invest in the Fixed Account must be transferred into the other investment options available under the contract over a period not to exceed 12 months. If you discontinue dollar cost averaging, the remaining balance amounts in the Fixed Account will be transferred into the money market subaccount available under the contract, unless you direct us to transfer the balance into other available options.

**Withdrawals.** Under certain emergency conditions we may defer payment of any withdrawal for a period of up to six months or as provided by federal law.

**Charges.** We do not make deductions from amounts in the Fixed Account to cover mortality and expense risks. We consider these risks when determining the credited rate. If you make a withdrawal from amounts in the Fixed Account, an early withdrawal charge may apply. See "Fees."

**Transfers.** During the accumulation phase you may transfer account dollars from the Fixed Account to any other available investment option. We may vary the dollar amount that you are allowed to transfer, but it will never be less than 10% of your account value held in the Fixed Account.

By notifying Customer Service at least 30 days before income phase payments begin, you may elect to have amounts transferred to one or more of the subaccounts available during the income phase to provide variable payments.

## APPENDIX III

### DESCRIPTION OF UNDERLYING FUNDS

The following investment portfolios are closed to new premiums and transfers. Contract owners who have value in any of the investment portfolios listed may leave their contract value in these investments.

#### Closed Investment Portfolios

Fidelity® VIP Investment Grade Bond Portfolio (Class I)	VY® T. Rowe Price International Stock Portfolio (Class S)
Voya MidCap Opportunities Portfolio (Class I)	

#### Open Investment Portfolios

During the accumulation phase, you may allocate your premium payments and contract value to any of the investment portfolios available under this Contract. The investment portfolios that are currently available for allocations are listed in this appendix. You bear the entire investment risk for amounts you allocate to any investment portfolio, and you may lose your principal.

The investment results of the mutual funds (funds) are likely to differ significantly and there is no assurance that any of the funds will achieve their respective investment objectives. You should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. Please refer to the fund prospectuses for this and additional information.

Shares of the funds will rise and fall in value and you could lose money by investing in the funds. Shares of the funds are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, the Federal Deposit Insurance Corporation or any other government agency. Fund prospectuses may be obtained free of charge, from Customer Service at the address and telephone number listed in the prospectus, by accessing the SEC's web site or by contacting the SEC Public Reference Room. If you received a summary prospectus for any of the funds available through your contract, you may also obtain a full prospectus and other fund information free of charge by either accessing the internet address, calling the telephone number or sending an email request to the email address shown on the front of the fund's summary prospectus. You may also obtain a prospectus or SAI for any of the funds by calling that number.

Certain funds offered under the contracts have investment objectives and policies similar to other funds managed by the fund's investment adviser. The investment results of a fund may be higher or lower than those of other funds managed by the same adviser. There is no assurance and no representation is made that the investment results of any fund will be comparable to those of another fund managed by the same investment adviser.

Certain funds are offered in a "fund of funds" structure and may have higher fees and expenses than a fund that invests directly in debt and equity securities. The "fund of funds" available under the contract are identified in the list of investment portfolios toward the front of this prospectus.

Consult with your investment professional to determine if the portfolios may be suited to your financial needs, investment time horizon and risk tolerance level. You should periodically review these factors to determine if you need to change your investment strategy.

<b>Fund Name and Investment Adviser/Subadviser</b>	<b>Investment Objective</b>
<b>Calvert VP SRI Balanced Portfolio</b>  <b>Investment Adviser:</b> Calvert Investment Management, Inc.	<i>A non-diversified</i> portfolio that seeks to achieve a competitive total return through an actively managed portfolio of stocks, bonds and money market instruments which offer income and capital growth opportunity.
<b>Fidelity® VIP Equity-Income Portfolio</b>  <b>Investment Adviser:</b> Fidelity Management & Research Company <b>Subadviser:</b> FMR Co., Inc. and other investment advisers	Seeks reasonable income. Also considers the potential for capital appreciation. Seeks to achieve a yield which exceeds the composite yield on the securities comprising the S&P 500® Index.
<b>Fidelity® VIP Index 500 Portfolio</b>  <b>Investment Adviser:</b> Fidelity Management & Research Company <b>Subadviser:</b> Geode Capital Management, LLC and FMR Co., Inc.	Seeks investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500® Index.
<b>Voya Balanced Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks total return consisting of capital appreciation (both realized and unrealized) and current income; the secondary investment objective is long-term capital appreciation.
<b>Voya Global Bond Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to maximize total return through a combination of current income and capital appreciation.
<b>Voya Global Perspectives® Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks total return.
<b>Voya Global Equity Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. Inc.	Seeks long-term capital growth and current income.
<b>Voya Government Money Market Portfolio*</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to provide high current return, consistent with preservation of capital and liquidity, through investment in high-quality money market investments while maintaining a stable share price of \$1.00.
*There is no guarantee that the Voya Government Money Market Portfolio subaccount will have a positive or level return.	
<b>Voya Growth and Income Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to maximize total return through investments in a diversified portfolio of common stock and securities convertible into common stocks. It is anticipated that capital appreciation and investment income will both be major factors in achieving total return.
<b>Voya High Yield Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to provide investors with a high level of current income and total return.
<b>Voya Index Plus LargeCap Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to outperform the total return performance of the S&P 500® Index, while maintaining a market level of risk.

<b>Fund Name and Investment Adviser/Subadviser</b>	<b>Investment Objective</b>
<b>Voya Intermediate Bond Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to maximize total return consistent with reasonable risk. The Portfolio seeks its objective through investments in a diversified portfolio consisting primarily of debt securities. It is anticipated that capital appreciation and investment income will both be major factors in achieving total return.
<b>Voya International Index Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks investment results (before fees and expenses) that correspond to the total return (which includes capital appreciation and income) of a widely accepted international index.
<b>Voya Large Cap Growth Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks long-term capital growth.
<b>Voya Large Cap Value Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks long-term growth of capital and current income.
<b>Voya MidCap Opportunities Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks long-term capital appreciation.
<b>Voya Retirement Conservative Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks a high level of total return (consisting of capital appreciation and income) consistent with a conservative level of risk relative to the other Voya Retirement Portfolios.
<b>Voya Retirement Growth Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks a high level of total return (consisting of capital appreciation and income) consistent with a level of risk that can be expected to be greater than that of the Voya Retirement Moderate Growth Portfolio.
<b>Voya Retirement Moderate Growth Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks a high level of total return (consisting of capital appreciation and income) consistent with a level of risk that can be expected to be greater than that of Voya Retirement Moderate Portfolio but less than that of Voya Retirement Growth Portfolio.
<b>Voya Retirement Moderate Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks a high level of total return (consisting of capital appreciation and income) consistent with a level of risk that can be expected to be greater than that of Voya Retirement Conservative Portfolio but less than that of Voya Retirement Moderate Growth Portfolio.
<b>Voya Russell<sup>TM</sup> Large Cap Growth Index Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks investment results (before fees and expenses) that correspond to the total return (which includes capital appreciation and income) of the Russell Top 200 <sup>®</sup> Growth Index.
<b>Voya Russell<sup>TM</sup> Large Cap Index Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks investment results (before fees and expenses) that correspond to the total return (which includes capital appreciation and income) of the Russell Top 200 <sup>®</sup> Index.

<b>Fund Name and Investment Adviser/Subadviser</b>	<b>Investment Objective</b>
<b>Voya Russell<sup>TM</sup> Large Cap Value Index Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks investment results (before fees and expenses) that correspond to the total return (which includes capital appreciation and income) of the Russell Top 200 <sup>®</sup> Value Index.
<b>Voya Small Company Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks growth of capital primarily through investment in a diversified portfolio of common stocks of companies with smaller market capitalizations.
<b>Voya SmallCap Opportunities Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks long-term capital appreciation.
<b>Voya Strategic Allocation Conservative Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to provide total return ( <i>i.e.</i> , income and capital growth, both realized and unrealized) consistent with preservation of capital.
<b>Voya Strategic Allocation Growth Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to provide capital appreciation.
<b>Voya Strategic Allocation Moderate Portfolio</b>  <b>Investment Adviser:</b> Voya Investments, LLC <b>Subadviser:</b> Voya Investment Management Co. LLC	Seeks to provide total return ( <i>i.e.</i> , income and capital appreciation, both realized and unrealized).
<b>VY<sup>®</sup> Baron Growth Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> BAMCO, Inc.	Seeks capital appreciation.
<b>VY<sup>®</sup> BlackRock Inflation Protected Bond Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> BlackRock Financial Management Inc.	A <i>non-diversified</i> Portfolio that seeks to maximize real return, consistent with preservation of real capital and prudent investment management.
<b>VY<sup>®</sup> FMR<sup>®</sup> Diversified Mid Cap Portfolio*</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Fidelity Management & Research Company	Seeks long-term growth of capital.
* FMR <sup>®</sup> is a registered service mark of Fidelity Management & Research Company. Used with permission	
<b>VY<sup>®</sup> Franklin Income Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Franklin Advisers, Inc.	Seeks to maximize income while maintaining prospects for capital appreciation.
<b>VY<sup>®</sup> Invesco Equity and Income Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Invesco Advisers, Inc.	Seeks total return, consisting of long-term capital appreciation and current income.

<b>Fund Name and Investment Adviser/Subadviser</b>	<b>Investment Objective</b>
<b>VY<sup>®</sup> JPMorgan Emerging Markets Equity Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> J.P. Morgan Investment Management Inc.	Seeks capital appreciation.
<b>VY<sup>®</sup> JPMorgan Small Cap Core Equity Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> J.P. Morgan Investment Management Inc.	Seeks capital growth over the long term.
<b>VY<sup>®</sup> Oppenheimer Global Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> OppenheimerFunds, Inc.	Seeks capital appreciation.
<b>VY<sup>®</sup> Pioneer High Yield Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Pioneer Investment Management, Inc.	Seeks to maximize total return through income and capital appreciation.
<b>VY<sup>®</sup> T. Rowe Price Capital Appreciation Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> T. Rowe Price Associates, Inc.	Seeks, over the long-term, a high total investment return, consistent with the preservation of capital and with prudent investment risk.
<b>VY<sup>®</sup> T. Rowe Price Diversified Mid Cap Growth Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> T. Rowe Price Associates, Inc.	Seeks long-term capital appreciation.
<b>VY<sup>®</sup> T. Rowe Price Growth Equity Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> T. Rowe Price Associates, Inc.	Seeks long-term growth through investments in stocks.
<b>VY<sup>®</sup> Templeton Foreign Equity Portfolio</b>  <b>Investment Adviser:</b> Directed Services LLC <b>Subadviser:</b> Templeton Investment Counsel, LLC	Seeks long-term capital growth.

**APPENDIX IV**

**CONDENSED FINANCIAL INFORMATION**

Except for subaccounts which did not commence operations as of December 31, 2015, the following tables give (1) the accumulation unit value ("AUV") at the beginning of the period, (2) the AUV at the end of the period and (3) the total number of accumulation units outstanding at the end of the period for each subaccount of Variable Annuity Account B available under the contracts for the indicated periods. For those subaccounts that commenced operations during the period ended December 31, 2015, the "Value at beginning of period" shown is the value at first date of investment. This information is current through December 31, 2015, including portfolio names. Portfolio name changes after December 31, 2015 are not reflected in the following information.

**TABLE I**  
**FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT CHARGES OF 1.40%**  
 (Selected data for accumulation units outstanding throughout each period)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>CALVERT VP SRI BALANCED PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$17.84	\$16.51	\$14.19	\$13.02	\$12.63	\$11.42	\$9.25	\$13.66	\$13.48	\$12.57
Value at end of period	\$17.20	\$17.84	\$16.51	\$14.19	\$13.02	\$12.63	\$11.42	\$9.25	\$13.66	\$13.48
Number of accumulation units outstanding at end of period	19,465	25,566	23,754	26,871	32,416	34,363	33,076	41,802	39,563	46,853
<b>FIDELITY® VIP INDEX 500 PORTFOLIO (INITIAL CLASS)</b>										
Value at beginning of period	\$40.12	\$35.82	\$27.47	\$24.04	\$23.89	\$21.07	\$16.88	\$27.17	\$26.13	\$22.90
Value at end of period	\$40.08	\$40.12	\$35.82	\$27.47	\$24.04	\$23.89	\$21.07	\$16.88	\$27.17	\$26.13
Number of accumulation units outstanding at end of period	434,327	464,681	548,055	612,537	690,383	804,912	943,813	1,122,989	1,328,685	1,644,685
<b>FIDELITY® VIP INVESTMENT GRADE BOND PORTFOLIO (INITIAL CLASS)</b>										
Value at beginning of period	\$22.81	\$21.86	\$22.57	\$21.62	\$20.43	\$19.22	\$16.84	\$17.66	\$17.16	\$16.68
Value at end of period	\$22.36	\$22.81	\$21.86	\$22.57	\$21.62	\$20.43	\$19.22	\$16.84	\$17.66	\$16.16
Number of accumulation units outstanding at end of period	21,958	23,510	26,615	31,347	34,264	42,476	47,538	52,015	61,123	70,534
<b>VOYA BALANCED PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$35.67	\$34.06	\$29.59	\$26.41	\$27.15	\$24.12	\$20.52	\$28.95	\$27.81	\$25.64
Value at end of period	\$34.51	\$35.67	\$34.06	\$29.59	\$26.41	\$27.15	\$24.12	\$20.52	\$28.95	\$27.81
Number of accumulation units outstanding at end of period	281,365	322,345	368,758	412,459	475,556	540,902	608,567	706,147	853,758	1,057,043
<b>VOYA GLOBAL BOND PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$13.47	\$13.60	\$14.37	\$13.51	\$13.21	\$11.56	\$9.65	\$11.58	\$10.80	\$10.10
Value at end of period	\$12.71	\$13.47	\$13.60	\$14.37	\$13.51	\$13.21	\$11.56	\$9.65	\$11.58	\$10.80
Number of accumulation units outstanding at end of period	308,624	366,165	419,913	517,045	595,964	794,052	909,241	1,075,639	1,278,258	1,448,500
<b>VOYA GLOBAL PERSPECTIVES PORTFOLIO (CLASS ADV)</b> (Funds were first received in this option during February 2014)										
Value at beginning of period	\$10.44	\$10.32								
Value at end of period	\$9.92	\$10.44								
Number of accumulation units outstanding at end of period	5,215	6,478								
<b>VOYA GLOBAL VALUE ADVANTAGE PORTFOLIO (CLASS S)</b> (Funds were first received in this option during March 2015)										
Value at beginning of period	\$9.86									
Value at end of period	\$9.16									
Number of accumulation units outstanding at end of period	14,478									
<b>VOYA GROWTH AND INCOME PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$35.60	\$32.61	\$25.31	\$22.17	\$22.55	\$20.04	\$15.60	\$25.37	\$12.96	\$21.28
Value at end of period	\$34.60	\$35.60	\$32.61	\$25.31	\$22.17	\$22.55	\$20.04	\$15.60	\$25.37	\$23.96
Number of accumulation units outstanding at end of period	777,597	903,390	1,029,933	907,896	1,045,363	1,265,314	1,260,360	1,428,706	1,685,641	2,055,253

## Condensed Financial Information (continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>VOYA HIGH YIELD PORTFOLIO (CLASS S)</b>										
Value at beginning of period	\$17.45	\$17.49	\$16.80	\$14.94	\$14.51	\$12.88	\$8.74	\$11.45	\$11.29	\$10.51
Value at end of period	\$16.86	\$17.45	\$17.49	\$16.80	\$14.94	\$14.51	\$12.88	\$8.74	\$11.45	\$11.29
Number of accumulation units outstanding at end of period	96,519	105,801	125,430	131,266	133,441	167,221	154,485	129,370	159,124	201,990
<b>VOYA INDEX PLUS LARGE CAP PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$30.75	\$27.39	\$20.90	\$18.52	\$18.80	\$16.73	\$13.77	\$22.24	\$21.48	\$19.01
Value at end of period	\$30.57	\$30.75	\$27.39	\$20.90	\$18.52	\$18.80	\$16.73	\$13.77	\$22.24	\$21.48
Number of accumulation units outstanding at end of period	203,750	248,084	279,604	315,467	356,281	418,311	478,483	551,985	705,766	837,662
<b>VOYA INTERMEDIATE BOND PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$25.54	\$24.29	\$24.66	\$22.86	\$21.56	\$19.91	\$18.10	\$20.06	\$19.19	\$18.70
Value at end of period	\$25.34	\$25.54	\$24.29	\$24.66	\$22.86	\$21.56	\$19.91	\$18.10	\$20.06	\$19.19
Number of accumulation units outstanding at end of period	474,260	536,818	567,494	676,308	707,507	767,355	807,364	731,100	766,347	929,670
<b>VOYA INTERNATIONAL INDEX PORTFOLIO (CLASS I)</b> (Funds were first received in this option during May 2009)										
Value at beginning of period	\$16.71	\$18.02	\$15.05	\$12.86	\$14.85	\$13.96	\$10.90			
Value at end of period	\$16.33	\$16.71	\$18.02	\$15.05	\$12.86	\$14.85	\$13.96			
Number of accumulation units outstanding at end of period	118,547	133,780	144,162	163,485	195,326	243,404	283,363			
<b>VOYA LARGE CAP GROWTH PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$22.72	\$20.29	\$15.71	\$13.49	\$13.35	\$11.82	\$8.40	\$11.72	\$10.62	\$10.17
Value at end of period	\$23.84	\$22.72	\$20.29	\$15.71	\$13.49	\$13.35	\$11.82	\$8.40	\$11.72	\$10.17
Number of accumulation units outstanding at end of period	1,891,669	2,192,361	2,254,809	739,317	825,863	216,085	242,317	272,891	323,546	70,534
<b>VOYA LARGE CAP VALUE PORTFOLIO (CLASS S)</b> (Funds were first received in this option during January 2012)										
Value at beginning of period	\$15.80	\$14.60	\$11.33	\$10.45						
Value at end of period	\$14.85	\$15.80	\$14.60	\$11.33						
Number of accumulation units outstanding at end of period	12,289	9,855	10,028	2,555						
<b>VOYA MIDCAP OPPORTUNITIES PORTFOLIO (CLASS I)</b> (Funds were first received in this option during March 2013)										
Value at beginning of period	\$12.63	\$11.77	\$9.87							
Value at end of period	\$12.52	\$12.63	\$11.77							
Number of accumulation units outstanding at end of period	44,647	56,232	69,181							
<b>VOYA MIDCAP OPPORTUNITIES PORTFOLIO (CLASS S)</b> (Funds were first received in this option during August 2011)										
Value at beginning of period	\$13.87	\$12.96	\$9.98	\$8.89	\$9.97					
Value at end of period	\$13.71	\$13.87	\$12.96	\$9.98	\$8.89					
Number of accumulation units outstanding at end of period	31,995	27,578	28,292	17,641	18,449					
<b>VOYA MONEY MARKET PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$13.90	\$14.09	\$14.29	\$14.49	\$14.69	\$14.86	\$15.03	\$14.84	\$14.32	\$13.84
Value at end of period	\$13.70	\$13.90	\$14.09	\$14.29	\$14.49	\$14.69	\$14.86	\$15.03	\$14.84	\$14.32
Number of accumulation units outstanding at end of period	881,951	1,052,430	1,139,774	1,314,472	1,518,733	1,617,851	2,004,541	2,583,176	2,417,186	2,561,195
<b>VOYA RETIREMENT CONSERVATIVE PORTFOLIO (CLASS ADV)</b> (Funds were first received in this option during July 2011)										
Value at beginning of period	\$11.49	\$11.00	\$10.69	\$10.05	\$10.03					
Value at end of period	\$11.23	\$11.49	\$11.00	\$10.69	\$10.05					
Number of accumulation units outstanding at end of period	47,926	46,178	79,657	63,512	53,773					
<b>VOYA RETIREMENT GROWTH PORTFOLIO (CLASS ADV)</b> (Funds were first received in this option during June 2011)										
Value at beginning of period	\$12.44	\$11.98	\$10.24	\$9.19	\$9.57					
Value at end of period	\$12.02	\$12.44	\$11.98	\$9.19	\$9.57					
Number of accumulation units outstanding at end of period	16,721	16,732	14,588	8,687	2,635					

## Condensed Financial Information (continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>VOYA RETIREMENT MODERATE GROWTH PORTFOLIO (CLASS ADV)</b>										
(Funds were first received in this option during October 2011)										
Value at beginning of period	\$12.28	\$11.78	\$10.33	\$9.38	\$9.21					
Value at end of period	\$11.91	\$12.28	\$11.78	\$10.33	\$9.38					
Number of accumulation units outstanding at end of period	13,555	14,108	16,540	5,603	2,564					
<b>VOYA RETIREMENT MODERATE PORTFOLIO (CLASS ADV)</b>										
(Funds were first received in this option during June 2011)										
Value at beginning of period	\$11.81	\$11.38	\$10.49	\$9.65	\$9.83					
Value at end of period	\$11.46	\$11.81	\$11.38	\$10.49	\$9.65					
Number of accumulation units outstanding at end of period	37,582	34,152	15,297	13,105	2,707					
<b>VOYA RUSSELL™ LARGE CAP GROWTH INDEX PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during July 2009)										
Value at beginning of period	\$21.98	\$19.71	\$15.14	\$13.41	\$13.05	\$11.74	\$10.02			
Value at end of period	\$23.32	\$21.98	\$19.71	\$15.14	\$13.41	\$13.05	\$11.74			
Number of accumulation units outstanding at end of period	453,857	523,720	624,067	717,171	807,162	945,643	1,068,844			
<b>VOYA RUSSELL™ LARGE CAP INDEX PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during May 2009)										
Value at beginning of period	\$23.82	\$21.40	\$16.43	\$14.42	\$14.26	\$12.89	\$10.50			
Value at end of period	\$23.98	\$23.82	\$21.40	\$16.43	\$14.42	\$14.26	\$12.89			
Number of accumulation units outstanding at end of period	127,625	149,649	179,419	203,089	247,276	283,647	324,177			
<b>VOYA RUSSELL™ LARGE CAP VALUE INDEX PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during August 2015)										
Value at beginning of period	\$10.03									
Value at end of period	\$9.70									
Number of accumulation units outstanding at end of period	1,673,461									
<b>VOYA RUSSELL™ LARGE CAP VALUE INDEX PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during May 2009)										
Value at beginning of period	\$22.29	\$20.14	\$15.54	\$13.59	\$13.71	\$12.51	\$10.41			
Value at end of period	\$21.15	\$22.29	\$20.14	\$15.54	\$13.59	\$13.71	\$12.51			
Number of accumulation units outstanding at end of period	47,379	68,655	70,749	77,086	89,476	107,204	119,513			
<b>VOYA SMALLCAP OPPORTUNITIES PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during June 2011)										
Value at beginning of period	\$14.80	\$14.25	\$10.42	\$9.19	\$9.93					
Value at end of period	\$14.43	\$14.80	\$14.25	\$10.42	\$9.19					
Number of accumulation units outstanding at end of period	21,606	37,398	37,707	27,520	4,681					
<b>VOYA SMALL COMPANY PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$46.51	\$44.28	\$32.60	\$28.87	\$30.03	\$24.48	\$19.47	\$28.63	\$27.43	\$23.81
Value at end of period	\$45.50	\$46.51	\$44.28	\$32.60	\$28.87	\$30.03	\$24.48	\$19.47	\$28.63	\$27.43
Number of accumulation units outstanding at end of period	114,807	131,775	153,267	183,448	216,742	272,766	299,734	334,611	402,256	543,958
<b>VOYA SOLUTION MODERATELY AGGRESSIVE PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during August 2015)										
Value at beginning of period	\$9.99									
Value at end of period	\$9.56									
Number of accumulation units outstanding at end of period	7,390									
<b>VOYA STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$23.38	\$22.24	\$20.12	\$18.17	\$18.10	\$16.53	\$14.22	\$18.87	\$18.09	\$16.93
Value at end of period	\$23.00	\$23.38	\$22.24	\$20.12	\$18.17	\$18.10	\$16.53	\$14.22	\$18.87	\$18.09
Number of accumulation units outstanding at end of period	136,610	143,468	162,024	175,272	195,932	220,514	237,655	267,453	320,452	382,893

## Condensed Financial Information (continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>VOYA STRATEGIC ALLOCATION GROWTH PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$25.28	\$24.06	\$19.94	\$17.58	\$18.37	\$16.48	\$13.34	\$21.17	\$20.44	\$18.31
Value at end of period	\$24.63	\$25.28	\$24.06	\$19.94	\$17.58	\$18.37	\$16.48	\$13.34	\$21.17	\$20.44
Number of accumulation units outstanding at end of period	104,588	123,772	127,085	145,356	156,454	176,467	203,433	226,771	273,725	316,640
<b>VOYA STRATEGIC ALLOCATION MODERATE PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$24.05	\$22.86	\$19.89	\$17.76	\$18.11	\$16.40	\$13.65	\$19.91	\$19.15	\$17.47
Value at end of period	\$23.58	\$24.05	\$22.86	\$19.89	\$17.76	\$18.11	\$16.40	\$13.65	\$19.91	\$19.15
Number of accumulation units outstanding at end of period	146,736	162,256	183,787	226,607	247,022	283,316	290,134	345,608	448,223	579,527
<b>VY@ BARON GROWTH PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during August 2011)										
Value at beginning of period	\$15.26	\$14.84	\$10.84	\$9.18	\$9.42					
Value at end of period	\$14.29	\$15.26	\$14.84	\$10.84	\$9.18					
Number of accumulation units outstanding at end of period	27,181	45,388	55,173	36,505	11,813					
<b>VY@ BLACKROCK INFLATION PROTECTED BOND PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during May 2011)										
Value at beginning of period	\$10.18	\$10.07	\$11.18	\$10.66	\$10.06					
Value at end of period	\$9.77	\$10.18	\$10.07	\$10.66	\$10.06					
Number of accumulation units outstanding at end of period	55,335	56,335	69,446	105,315	79,309					
<b>VY@ FMR<sup>SM</sup> DIVERSIFIED MID CAP PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$16.46	\$15.71	\$11.68	\$10.31	\$11.71	\$9.24	\$6.71	\$11.16	\$9.86	\$9.99
Value at end of period	\$16.00	\$16.46	\$15.71	\$11.68	\$10.31	\$11.71	\$9.24	\$6.71	\$11.16	\$9.86
Number of accumulation units outstanding at end of period	158,846	225,616	271,926	302,412	355,750	416,049	431,215	482,506	591,855	661,411
<b>VY@ FRANKLIN INCOME PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during June 2011)										
Value at beginning of period	\$12.37	\$11.95	\$10.57	\$9.52	\$9.74					
Value at end of period	\$11.42	\$12.37	\$11.95	\$10.57	\$9.52					
Number of accumulation units outstanding at end of period	81,878	92,346	56,233	28,996	7,564					
<b>VY@ INVESCO EQUITY AND INCOME PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$17.93	\$16.69	\$13.55	\$12.18	\$12.49	\$11.28	\$9.32	\$12.34	\$12.09	\$10.88
Value at end of period	\$17.32	\$17.93	\$16.69	\$13.55	\$12.18	\$12.49	\$11.28	\$9.32	\$12.34	\$12.09
Number of accumulation units outstanding at end of period	919,949	1,078,524	720,859	815,879	967,009	1,177,287	1,364,025	1,655,410	2,090,697	2,650,463
<b>VY@ JPMORGAN EMERGING MARKETS EQUITY PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$17.31	\$17.36	\$18.63	\$15.83	\$19.59	\$16.47	\$9.71	\$20.16	\$14.73	\$10.97
Value at end of period	\$14.41	\$17.31	\$17.36	\$18.63	\$15.83	\$19.59	\$16.47	\$9.71	\$20.16	\$14.73
Number of accumulation units outstanding at end of period	101,448	120,484	120,084	152,691	159,758	204,825	185,986	184,178	261,180	231,336
<b>VY@ JPMORGAN SMALL CAP CORE EQUITY PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during May 2011)										
Value at beginning of period	\$15.35	\$14.33	\$10.43	\$8.89	\$9.84					
Value at end of period	\$14.61	\$15.35	\$10.43	\$8.89	\$9.84					
Number of accumulation units outstanding at end of period	57,014	45,090	45,609	26,675	823					
<b>VY@ OPPENHEIMER GLOBAL PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$18.69	\$18.53	\$14.78	\$12.32	\$13.60	\$11.88	\$8.64	\$14.67	\$13.97	\$12.00
Value at end of period	\$19.19	\$18.69	\$18.53	\$14.78	\$12.32	\$13.60	\$11.88	\$8.64	\$14.67	\$13.97
Number of accumulation units outstanding at end of period	1,214,655	1,377,793	1,594,216	1,782,789	2,053,860	2,403,246	2,762,723	3,175,943	3,890,901	5,058,380
<b>VY@ PIONEER HIGH YIELD PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during September 2008)										
Value at beginning of period	\$17.20	\$17.38	\$15.69	\$13.70	\$13.99	\$11.92	\$7.24	\$9.94		
Value at end of period	\$16.17	\$17.20	\$15.69	\$13.70	\$13.99	\$11.92	\$7.24	\$9.94		
Number of accumulation units outstanding at end of period	190,571	203,374	235,465	247,156	271,829	371,493	454,661	515,492		

## Condensed Financial Information (continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>VY@ T. ROWE PRICE CAPITAL APPRECIATION PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during May 2011)										
Value at beginning of period	\$14.46	\$13.08	\$10.85	\$9.61	\$10.15					
Value at end of period	\$15.00	\$14.46	\$13.08	\$10.85	\$9.61					
Number of accumulation units outstanding at end of period	157,189	133,840	113,372	91,474	41,627					
<b>VY@ T. ROWE PRICE DIVERSIFIED MID CAP GROWTH PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$23.03	\$20.89	\$15.67	\$13.69	\$14.41	\$11.38	\$7.88	\$14.06	\$12.57	\$11.69
Value at end of period	\$23.17	\$23.03	\$20.89	\$15.67	\$13.69	\$14.41	\$11.38	\$7.88	\$14.06	\$12.57
Number of accumulation units outstanding at end of period	464,324	489,742	544,223	605,522	696,879	790,012	867,640	952,195	1,081,871	1,362,629
<b>VY@ T. ROWE PRICE GROWTH EQUITY PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$50.77	\$47.38	\$34.50	\$29.43	\$30.17	\$26.18	\$18.58	\$32.60	\$30.09	\$26.93
Value at end of period	\$55.47	\$50.77	\$47.38	\$34.50	\$29.43	\$30.17	\$26.18	\$18.58	\$32.60	\$30.09
Number of accumulation units outstanding at end of period	307,051	356,800	410,501	456,575	536,640	612,777	708,641	810,651	982,830	1,231,358
<b>VY@ T. ROWE PRICE INTERNATIONAL STOCK PORTFOLIO (CLASS S)</b>										
Value at beginning of period	\$10.71	\$10.98	\$9.74	\$8.32	\$9.63	\$8.58	\$6.32	\$12.70	\$10.69	\$9.97
Value at end of period	\$10.46	\$10.71	\$10.98	\$9.74	\$8.32	\$8.58	\$6.32	\$12.70	\$10.69	\$9.97
Number of accumulation units outstanding at end of period	56,735	61,585	75,693	92,921	114,235	136,647	153,349	191,860	200,439	182,540
<b>VY@ TEMPLETON FOREIGN EQUITY PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during April 2008)										
Value at beginning of period	\$9.70	\$10.53	\$8.88	\$7.58	\$8.73	\$8.13	\$6.24	\$10.14		
Value at end of period	\$9.25	\$9.70	\$10.53	\$8.88	\$7.58	\$8.73	\$8.13	\$6.24		
Number of accumulation units outstanding at end of period	111,028	112,880	132,388	169,283	175,457	217,454	247,399	251,703		

**TABLE II**  
**FOR CONTRACTS WITH TOTAL SEPARATE ACCOUNT CHARGES OF 1.25%**  
(Selected data for accumulation units outstanding throughout each period)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>CALVERT VP SRI BALANCED PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$18.31	\$16.91	\$14.52	\$13.30	\$12.88	\$11.64	\$9.41	\$13.87	\$13.67	\$12.72
Value at end of period	\$17.68	\$18.31	\$16.91	\$14.52	\$13.30	\$12.88	\$11.64	\$9.41	\$13.87	\$13.67
Number of accumulation units outstanding at end of period	2,834	3,691	3,698	5,606	5,766	6,339	7,892	30,521	35,177	55,126
<b>FIDELITY@ VIP INDEX 500 PORTFOLIO (INITIAL CLASS)</b>										
Value at beginning of period	\$34.23	\$30.52	\$23.37	\$20.42	\$20.26	\$17.84	\$14.27	\$22.93	\$22.03	\$19.27
Value at end of period	\$34.25	\$34.23	\$30.52	\$23.37	\$20.42	\$20.26	\$17.84	\$14.27	\$22.93	\$22.03
Number of accumulation units outstanding at end of period	61,309	69,757	85,052	91,607	104,586	141,782	166,986	193,846	230,587	302,827
<b>VOYA BALANCED PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$25.85	\$24.64	\$21.38	\$19.06	\$19.55	\$17.35	\$14.74	\$20.76	\$19.91	\$18.33
Value at end of period	\$25.05	\$25.85	\$24.64	\$21.38	\$19.06	\$19.55	\$17.35	\$14.74	\$20.76	\$19.91
Number of accumulation units outstanding at end of period	56,621	63,281	69,185	73,680	93,501	113,107	143,202	173,274	243,646	303,633
<b>VOYA GLOBAL BOND PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$13.67	\$13.78	\$14.54	\$13.65	\$13.33	\$11.65	\$9.70	\$11.63	\$10.83	\$10.11
Value at end of period	\$12.92	\$13.67	\$13.78	\$14.54	\$13.65	\$13.33	\$11.65	\$9.70	\$11.63	\$10.83
Number of accumulation units outstanding at end of period	80,992	91,925	116,903	138,498	145,158	185,065	194,503	214,791	273,720	313,936

## Condensed Financial Information (continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>VOYA GLOBAL PERSPECTIVES PORTFOLIO (CLASS ADV)</b>										
(Funds were first received in this option during March 2014)										
Value at beginning of period	\$10.45	\$10.19								
Value at end of period	\$9.94	\$10.45								
Number of accumulation units outstanding at end of period	837	1,252								
<b>VOYA GROWTH AND INCOME PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$24.38	\$22.30	\$17.28	\$15.12	\$15.35	\$13.62	\$10.59	\$17.19	\$16.21	\$14.38
Value at end of period	\$23.74	\$24.38	\$22.30	\$17.28	\$15.12	\$15.35	\$13.62	\$10.59	\$17.19	\$16.21
Number of accumulation units outstanding at end of period	198,114	237,937	264,805	241,989	280,303	308,406	267,184	298,242	355,532	440,709
<b>VOYA HIGH YIELD PORTFOLIO (CLASS S)</b>										
Value at beginning of period	\$17.71	\$17.73	\$16.99	\$15.09	\$14.64	\$12.97	\$8.79	\$11.49	\$11.32	\$10.52
Value at end of period	\$17.13	\$17.71	\$17.73	\$16.99	\$15.09	\$14.64	\$12.97	\$8.79	\$11.49	\$11.32
Number of accumulation units outstanding at end of period	5,294	5,819	7,585	8,849	9,680	11,230	10,442	2,328	5,433	5,994
<b>VOYA INDEX PLUS LARGE CAP PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$31.08	\$27.64	\$21.06	\$18.63	\$18.88	\$16.78	\$13.79	\$22.24	\$21.45	\$18.96
Value at end of period	\$30.95	\$31.08	\$27.64	\$21.06	\$18.63	\$18.88	\$16.78	\$13.79	\$22.24	\$21.45
Number of accumulation units outstanding at end of period	81,645	88,290	91,113	99,810	131,750	150,574	169,441	193,666	258,096	296,025
<b>VOYA INTERMEDIATE BOND PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$22.27	\$21.14	\$21.43	\$19.84	\$18.68	\$17.22	\$15.63	\$17.30	\$16.52	\$16.08
Value at end of period	\$22.12	\$22.27	\$21.14	\$21.43	\$19.84	\$18.68	\$17.22	\$15.63	\$17.30	\$16.52
Number of accumulation units outstanding at end of period	135,041	157,123	159,905	182,477	199,406	228,062	253,689	181,827	197,301	274,574
<b>VOYA INTERNATIONAL INDEX PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during May 2009)										
Value at beginning of period	\$16.86	\$18.15	\$15.14	\$12.91	\$14.89	\$13.98	\$11.77			
Value at end of period	\$16.50	\$16.86	\$18.15	\$15.14	\$12.91	\$14.89	\$13.98			
Number of accumulation units outstanding at end of period	24,333	26,416	23,624	24,855	31,238	38,260	43,394			
<b>VOYA LARGE CAP GROWTH PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$23.05	\$20.55	\$15.89	\$13.62	\$13.46	\$11.90	\$8.44	\$11.76	\$10.64	\$10.18
Value at end of period	\$24.22	\$23.05	\$20.55	\$15.89	\$13.62	\$13.46	\$11.90	\$8.44	\$11.76	\$10.64
Number of accumulation units outstanding at end of period	267,367	293,802	318,248	61,554	61,283	1,738	854	3,024	2,408	2,885
<b>VOYA LARGE CAP VALUE PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during October 2011)										
Value at beginning of period	\$15.89	\$14.67	\$11.37	\$10.07	\$9.50					
Value at end of period	\$14.96	\$15.89	\$14.67	\$11.37	\$10.07					
Number of accumulation units outstanding at end of period	12,916	771	806	838	873					
<b>VOYA MIDCAP OPPORTUNITIES PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during March 2013)										
Value at beginning of period	\$12.67	\$11.78	\$9.87							
Value at end of period	\$12.57	\$12.67	\$11.78							
Number of accumulation units outstanding at end of period	8,234	8,396	10,032							
<b>VOYA MIDCAP OPPORTUNITIES PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during July 2011)										
Value at beginning of period	\$13.95	\$13.01	\$10.01	\$8.90	\$9.87					
Value at end of period	\$13.81	\$13.95	\$13.01	\$10.01	\$8.90					
Number of accumulation units outstanding at end of period	9,322	7,048	8,137	7,683	166					
<b>VOYA MONEY MARKET PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$12.88	\$13.04	\$13.20	\$13.36	\$13.53	\$13.67	\$13.79	\$13.61	\$13.10	\$12.65
Value at end of period	\$12.72	\$12.88	\$13.04	\$13.20	\$13.36	\$13.53	\$13.67	\$13.79	\$13.61	\$13.10
Number of accumulation units outstanding at end of period	118,248	140,023	154,347	215,835	236,427	286,509	376,031	495,337	530,773	527,585

## Condensed Financial Information (continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>VOYA RETIREMENT CONSERVATIVE PORTFOLIO (CLASS ADV)</b>										
(Funds were first received in this option during August 2011)										
Value at beginning of period	\$11.55	\$11.05	\$10.72	\$10.06	\$9.89					
Value at end of period	\$11.32	\$11.55	\$11.05	\$10.72	\$10.06					
Number of accumulation units outstanding at end of period	263	217	219	221	410					
<b>VOYA RUSSELL™ LARGE CAP GROWTH INDEX PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during July 2009)										
Value at beginning of period	\$22.16	\$19.84	\$15.22	\$13.46	\$13.08	\$11.74	\$10.02			
Value at end of period	\$23.55	\$22.16	\$19.84	\$15.22	\$13.46	\$13.08	\$11.74			
Number of accumulation units outstanding at end of period	67,954	78,038	88,299	99,739	110,693	123,819	136,709			
<b>VOYA RUSSELL™ LARGE CAP INDEX PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during July 2009)										
Value at beginning of period	\$24.03	\$21.55	\$16.53	\$14.48	\$14.30	\$12.90	\$10.97			
Value at end of period	\$24.22	\$24.03	\$21.55	\$16.53	\$14.48	\$14.30	\$12.90			
Number of accumulation units outstanding at end of period	57,686	62,637	70,247	78,514	82,885	88,656	104,679			
<b>VOYA RUSSELL™ LARGE CAP VALUE INDEX PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during August 2015)										
Value at beginning of period	\$10.03									
Value at end of period	\$9.70									
Number of accumulation units outstanding at end of period	321,122									
<b>VOYA RUSSELL™ LARGE CAP VALUE INDEX PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during July 2009)										
Value at beginning of period	\$22.48	\$20.29	\$15.63	\$13.65	\$13.74	\$12.52	\$10.65			
Value at end of period	\$21.36	\$22.48	\$20.29	\$15.63	\$13.65	\$13.74	\$12.52			
Number of accumulation units outstanding at end of period	14,304	12,771	4,555	4,969	4,933	5,647	5,856			
<b>VOYA SMALLCAP OPPORTUNITIES PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during June 2011)										
Value at beginning of period	\$14.88	\$14.31	\$10.44	\$9.20	\$9.38					
Value at end of period	\$14.53	\$14.88	\$14.31	\$10.44	\$9.20					
Number of accumulation units outstanding at end of period	9,503	5,455	4,895	4,868	886					
<b>VOYA SMALL COMPANY PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$47.78	\$45.42	\$33.39	\$29.52	\$30.66	\$24.96	\$19.82	\$29.11	\$27.83	\$24.13
Value at end of period	\$46.82	\$47.78	\$45.42	\$33.39	\$29.52	\$30.66	\$24.96	\$19.82	\$29.11	\$27.83
Number of accumulation units outstanding at end of period	39,564	43,059	48,255	53,007	57,209	71,092	81,100	99,966	119,207	161,032
<b>VOYA SOLUTION MODERATELY AGGRESSIVE PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during August 2015)										
Value at beginning of period	\$10.00									
Value at end of period	\$9.57									
Number of accumulation units outstanding at end of period	4,611									
<b>VOYA STRATEGIC ALLOCATION CONSERVATIVE PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$22.32	\$21.20	\$19.15	\$17.27	\$17.18	\$15.66	\$13.46	\$17.83	\$17.07	\$15.95
Value at end of period	\$22.00	\$22.32	\$21.20	\$19.15	\$17.27	\$17.18	\$15.66	\$13.46	\$17.83	\$17.07
Number of accumulation units outstanding at end of period	25,701	26,275	43,767	44,867	62,414	71,712	76,345	99,062	130,985	134,201
<b>VOYA STRATEGIC ALLOCATION GROWTH PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$23.02	\$21.87	\$18.10	\$15.94	\$16.62	\$14.89	\$12.04	\$19.07	\$18.38	\$16.45
Value at end of period	\$22.46	\$23.02	\$21.87	\$18.10	\$15.94	\$16.62	\$14.89	\$12.04	\$19.07	\$18.38
Number of accumulation units outstanding at end of period	19,064	19,013	21,881	24,552	31,505	39,488	41,383	45,437	59,063	65,251

## Condensed Financial Information (continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>VOYA STRATEGIC ALLOCATION MODERATE PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$22.30	\$21.17	\$18.39	\$16.39	\$16.69	\$15.09	\$12.54	\$18.27	\$17.54	\$15.98
Value at end of period	\$21.90	\$22.30	\$21.17	\$18.39	\$16.39	\$16.69	\$15.09	\$12.54	\$18.27	\$17.54
Number of accumulation units outstanding at end of period	42,508	48,467	49,833	52,731	60,674	64,863	63,187	69,230	78,002	88,924
<b>VY@ BARON GROWTH PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during April 2008)										
Value at beginning of period	\$15.35	\$14.90	\$10.86	\$9.19						
Value at end of period	\$14.39	\$15.35	\$14.90	\$10.86						
Number of accumulation units outstanding at end of period	6,268	4,186	4,300	1,074						
<b>VY@ BLACKROCK INFLATION PROTECTED BOND PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during July 2011)										
Value at beginning of period	\$10.24	\$10.11	\$11.21	\$10.68	\$10.27					
Value at end of period	\$9.84	\$10.24	\$10.11	\$11.21	\$10.68					
Number of accumulation units outstanding at end of period	6,465	8,794	9,777	14,656	6,466					
<b>VY@ FMR<sup>SM</sup> DIVERSIFIED MID CAP PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$16.68	\$15.90	\$11.80	\$10.40	\$11.80	\$9.29	\$6.74	\$11.19	\$9.87	\$9.99
Value at end of period	\$16.24	\$16.68	\$15.90	\$11.80	\$10.40	\$11.80	\$9.29	\$6.74	\$11.19	\$9.87
Number of accumulation units outstanding at end of period	58,564	67,892	73,680	80,876	90,054	110,200	133,777	159,918	184,555	229,476
<b>VY@ FRANKLIN INCOME PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during August 2011)										
Value at beginning of period	\$12.44	\$12.00	\$10.60	\$9.53	\$9.45					
Value at end of period	\$11.50	\$12.44	\$12.00	\$10.60	\$9.53					
Number of accumulation units outstanding at end of period	10,077	11,405	10,067	6,515	4,397					
<b>VY@ INVESCO EQUITY AND INCOME PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$18.20	\$16.91	\$13.71	\$12.31	\$12.60	\$11.36	\$9.38	\$12.39	\$12.12	\$10.89
Value at end of period	\$17.60	\$18.20	\$16.91	\$13.71	\$12.31	\$12.60	\$11.36	\$9.38	\$12.39	\$12.12
Number of accumulation units outstanding at end of period	275,811	303,018	196,545	207,668	241,018	287,588	331,791	437,176	573,717	670,897
<b>VY@ JPMORGAN EMERGING MARKETS EQUITY PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$17.55	\$17.57	\$18.83	\$15.98	\$19.74	\$16.58	\$9.76	\$20.23	\$14.76	\$10.97
Value at end of period	\$14.63	\$17.55	\$17.57	\$18.83	\$15.98	\$19.74	\$16.58	\$9.76	\$20.23	\$14.76
Number of accumulation units outstanding at end of period	8,953	15,745	17,428	19,175	21,530	24,929	26,229	34,089	34,892	23,921
<b>VY@ JPMORGAN SMALL CAP CORE EQUITY PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during June 2011)										
Value at beginning of period	\$15.43	\$14.39	\$10.46	\$8.90	\$9.51					
Value at end of period	\$14.72	\$15.43	\$14.39	\$10.46	\$8.90					
Number of accumulation units outstanding at end of period	4,437	3,628	4,913	4,180	513					
<b>VY@ OPPENHEIMER GLOBAL PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$18.97	\$18.78	\$14.96	\$12.45	\$13.72	\$11.97	\$8.68	\$14.73	\$14.00	\$12.02
Value at end of period	\$19.51	\$18.97	\$18.78	\$14.96	\$12.45	\$13.72	\$11.97	\$8.68	\$14.73	\$14.00
Number of accumulation units outstanding at end of period	183,519	206,643	240,814	269,495	311,025	353,939	416,753	472,212	605,499	801,709
<b>VY@ PIONEER HIGH YIELD PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during September 2008)										
Value at beginning of period	\$17.37	\$17.52	\$15.80	\$13.77	\$14.04	\$11.95	\$7.24	\$9.94		
Value at end of period	\$16.36	\$17.37	\$17.52	\$15.80	\$13.77	\$14.04	\$11.95	\$7.24		
Number of accumulation units outstanding at end of period	38,535	43,163	44,764	51,528	53,716	77,460	89,982	104,354		
<b>VY@ T. ROWE PRICE CAPITAL APPRECIATION PORTFOLIO (CLASS S)</b>										
(Funds were first received in this option during May 2011)										
Value at beginning of period	\$14.54	\$13.13	\$10.88	\$9.62	\$10.12					
Value at end of period	\$15.11	\$14.54	\$13.13	\$10.88	\$9.62					
Number of accumulation units outstanding at end of period	66,312	66,898	45,335	27,221	10,396					

## Condensed Financial Information (continued)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>VY@ T. ROWE PRICE DIVERSIFIED MID CAP GROWTH PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$23.37	\$21.17	\$15.86	\$13.83	\$14.54	\$11.46	\$7.92	\$14.12	\$12.61	\$11.70
Value at end of period	\$23.55	\$23.37	\$21.17	\$15.86	\$13.83	\$14.54	\$11.46	\$7.92	\$14.12	\$12.61
Number of accumulation units outstanding at end of period	76,092	85,169	91,541	100,633	111,253	131,603	141,227	154,334	185,700	233,358
<b>VY@ T. ROWE PRICE GROWTH EQUITY PORTFOLIO (CLASS I)</b>										
Value at beginning of period	\$37.60	\$35.04	\$25.48	\$21.70	\$22.21	\$19.25	\$13.63	\$23.89	\$22.01	\$19.67
Value at end of period	\$41.15	\$37.60	\$35.04	\$25.48	\$21.70	\$22.21	\$19.25	\$13.63	\$23.89	\$22.01
Number of accumulation units outstanding at end of period	39,117	39,719	47,271	58,550	63,690	74,533	80,437	86,676	111,889	159,581
<b>VY@ T. ROWE PRICE INTERNATIONAL STOCK PORTFOLIO (CLASS S)</b>										
Value at beginning of period	\$10.85	\$11.11	\$9.84	\$8.39	\$9.70	\$8.63	\$6.35	\$12.74	\$10.70	\$9.97
Value at end of period	\$10.62	\$10.85	\$11.11	\$9.84	\$8.39	\$9.70	\$8.63	\$6.35	\$12.74	\$10.70
Number of accumulation units outstanding at end of period	4,262	4,270	4,294	4,387	5,411	6,149	7,502	12,666	20,812	13,425
<b>VY@ TEMPLETON FOREIGN EQUITY PORTFOLIO (CLASS I)</b>										
(Funds were first received in this option during April 2008)										
Value at beginning of period	\$9.80	\$10.63	\$8.95	\$7.62	\$8.77	\$8.16	\$6.25	\$10.14		
Value at end of period	\$9.35	\$9.80	\$10.63	\$8.95	\$7.62	\$8.77	\$8.16	\$6.25		
Number of accumulation units outstanding at end of period	18,480	24,965	23,501	29,598	30,707	43,190	50,188	65,677		

<p style="text-align: center;"><b>VARIABLE ANNUITY ACCOUNT B</b> <b>OF</b> <b>VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY</b></p>
---------------------------------------------------------------------------------------------------------------------------------------------

**VOYA MARATHON PLUS**

**Statement of Additional Information**

**Dated**  
**May 1, 2016**

**Group Variable Annuity Contracts for Employer-Sponsored Deferred Compensation Plans**

This Statement of Additional Information is not a prospectus and should be read in conjunction with the current prospectus for Variable Annuity Account B (the "Separate Account") dated May 1, 2016.

A free prospectus is available upon request from the local Voya Retirement Insurance and Annuity Company office or by writing to or calling:

Customer Service  
P.O. Box 9271  
Des Moines, IA 50306-9271  
1-800-366-0066

Read the prospectus before you invest. Terms used in this Statement of Additional Information shall have the same meaning as in the prospectus.

**TABLE OF CONTENTS**

	<b>Page</b>
General Information and History	2
Variable Annuity Account B of Voya Retirement Insurance and Annuity Company	2
Offering and Purchase of Contracts	3
Income Phase Payments	3
Sales Material and Advertising	4
Experts	4
Financial Statements of the Separate Account (Variable Annuity Account B) of Voya Retirement Insurance and Annuity Company	S-1
Consolidated Financial Statements of Voya Retirement Insurance and Annuity Company	C-1

## GENERAL INFORMATION AND HISTORY

Voya Retirement Insurance and Annuity Company (the “Company,” “we,” “us,” “our”) issues the contracts described in this prospectus and is responsible for providing each contract’s insurance and annuity benefits. All guarantees and benefits provided under the contracts that are not related to the Separate Account are subject to the claims paying ability of the Company and our general account. We are a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976. Prior to January 1, 2002, the Company was known as Aetna Life Insurance and Annuity Company. From January 1, 2002 until August 31, 2014, the Company was known as ING Life Insurance and Annuity Company.

We are an indirect, wholly owned subsidiary of Voya Financial, Inc. (“Voya<sup>®</sup>”), which until April 7, 2014, was known as ING U.S., Inc. In May 2013 the common stock of Voya began trading on the New York Stock Exchange under the symbol “VOYA” and Voya completed its initial public offering of common stock.

The Company serves as the depositor for the Separate Account.

Other than the mortality and expense risk charge and administrative expense charge described in the prospectus, all expenses incurred in the operations of the Separate Account are borne by the Company. However, the Company does receive compensation for certain administrative or distribution costs from the funds or affiliates of the funds used as funding options under the contract. (See “Fees” in the prospectus).

The assets of the Separate Account are held by the Company. The Separate Account has no custodian. However, the funds in whose shares the assets of the Separate Account are invested each have custodians, as discussed in their respective prospectuses.

From this point forward, the term “contract(s)” refers only to those offered through the prospectus.

## VARIABLE ANNUITY ACCOUNT B

Variable Annuity Account B is a separate account established by the Company for the purpose of funding variable annuity contracts issued by the Company. The Separate Account is registered with the Securities and Exchange Commission (“SEC”) as a unit investment trust under the Investment Company Act of 1940, as amended. Payments to accounts under the contract may be allocated to one or more of the subaccounts. Each subaccount invests in the shares of only one of the funds offered under the contract. We may make additions to, deletions from or substitutions of available investment options as permitted by law and subject to the conditions of the contract. The availability of the funds is subject to applicable regulatory authorization. Not all funds are available in all jurisdictions, under all contracts, or under all plans.

A complete description of each fund, including its investment objective, policies, risks and fees and expenses, is contained in the fund’s prospectus and statement of additional information.

## OFFERING AND PURCHASE OF CONTRACTS

The Company's subsidiary, Voya Financial Partners, LLC serves as the principal underwriter for contracts. Voya Financial Partners, LLC, a Delaware limited liability company, is registered as a broker-dealer with the SEC. Voya Financial Partners, LLC is also a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Voya Financial Partners, LLC's principal office is located at One Orange Way, Windsor, Connecticut 06095-4774. Voya Financial Partners, LLC offers the securities under the Contracts on a continuous basis, however, the Contract is no longer available to new purchasers. A description of the manner in which contracts are purchased may be found in the prospectus under the sections entitled "Purchase and Rights" and "Your Account Value."

Compensation paid to the principal underwriter, Voya Financial Partners, LLC, for the years ending December 31, 2015, 2014 and 2013 amounted to \$1,961,863.45, \$1,955,431.33 and \$1,889,839.98, respectively. These amounts reflect compensation paid to Voya Financial Partners, LLC attributable to regulatory and operating expenses associated with the distribution of all registered variable annuity products issued by Variable Annuity Account B of Voya Retirement Insurance and Annuity Company.

## INCOME PHASE PAYMENTS

When you begin receiving payments under the contract during the income phase (see "**The Income Phase**" in the prospectus), the value of your account is determined using accumulation unit values as of the tenth valuation before the first income phase payment is due. Such value (less any applicable premium tax charge) is applied to provide payments to you in accordance with the income phase payment option and investment options elected.

The annuity option tables found in the contract show, for each option, the amount of the first payment for each \$1,000 of value applied. Thereafter, variable payments fluctuate as the Annuity Unit value(s) fluctuates with the investment experience of the selected investment option(s). The first and subsequent payments also vary depending on the assumed net investment rate selected (3.5% or 5% per annum). Selection of a 5% rate causes a higher first payment, but payments will increase thereafter only to the extent that the net investment rate increases by more than 5% on an annual basis. Payments would decline if the rate failed to increase by 5%. Use of the 3.5% assumed rate causes a lower first income phase payment, but subsequent income phase payments would increase more rapidly or decline more slowly as changes occur in the net investment rate.

When the income phase begins, the annuitant is credited with a fixed number of Annuity Units (which does not change thereafter) in each of the designated investment options. This number is calculated by dividing (a) by (b), where (a) is the amount of the first payment based upon a particular investment option, and (b) is the then current Annuity Unit value for that investment option. As noted, Annuity Unit values fluctuate from one valuation to the next (see "**Account Value**" in the prospectus); such fluctuations reflect changes in the net investment factor for the appropriate subaccount(s) (with a ten day valuation lag which gives the Company time to process payments) and a mathematical adjustment which offsets the assumed net investment rate of 3.5% or 5% per annum.

The operation of all these factors can be illustrated by the following hypothetical example. These procedures will be performed separately for the investment options selected during the income phase.

### **EXAMPLE:**

**Assume that, at the date payments are to begin, there are 3,000 accumulation units credited under a particular contract or account and that the value of an accumulation unit for the tenth valuation prior to retirement was \$13.650000. This produces a total value of \$40,950.**

Assume also that no premium tax charge is payable and that the annuity table in the contract provides, for the payment option elected, a first monthly variable payment of \$6.68 per \$1,000 of value applied; the annuitant's first monthly payment would thus be 40.950 multiplied by \$6.68, or \$273.55.

Assume then that the value of an Annuity Unit upon the valuation on which the first payment was due was \$13.400000. When this value is divided into the first monthly payment, the number of Annuity Units is determined to be 20.414. The value of this number of Annuity Units will be paid in each subsequent month.

Suppose there were 30 days between the initial and second payment valuation dates. If the net investment factor with respect to the appropriate subaccount is 1.0032737 as of the tenth valuation preceding the due date of the second monthly income phase payment, multiplying this factor by  $.9971779^* = .9999058^{30}$  (to take into account 30 days of the assumed net investment rate of 3.5% per annum built into the number of Annuity Units determined above) produces a result of 1.000442. This is then multiplied by the Annuity Unit value for the prior valuation (\$13.400000 from above) to produce an Annuity Unit value of \$13.405928 for the valuation occurring when the second income phase payment is due.

The second monthly income phase payment is then determined by multiplying the number of Annuity Units by the current Annuity Unit value, or 20.414 times \$13.405928, which produces a payment of \$273.67.

\*If an assumed net investment rate of 5% is elected, the appropriate factor to take into account such assumed rate would be  $.9959968 = .9998663^{30}$ .

## **SALES MATERIAL AND ADVERTISING**

We may include hypothetical illustrations in our sales literature that explain the mathematical principles of dollar cost averaging, compounded interest, tax deferred accumulation, and the mechanics of variable annuity contracts. We may also discuss the difference between variable annuity contracts and other types of savings or investment products such as, personal savings accounts and certificates of deposit.

We may distribute sales literature that compares the percentage change in accumulation unit values for any of the subaccounts to established market indices such as the Standard & Poor's 500 Stock Index and the Dow Jones Industrial Average or to the percentage change in values of other management investment companies that have investment objectives similar to the subaccount being compared.

We may publish in advertisements and reports, the ratings and other information assigned to us by one or more independent rating organizations such as A.M. Best Company, Standard & Poor's Corporation and Moody's Investors Service, Inc. The purpose of the ratings is to reflect our financial strength and/or claims-paying ability. We may also quote ranking services such as Morningstar, Inc. and Lipper Analytical Services, Inc., which rank variable annuity or life subaccounts or their underlying funds by performance and/or investment objective. We may categorize funds in terms of the asset classes they represent and use such categories in marketing material for the contracts. We may illustrate in advertisements the performance of the underlying funds, if accompanied by performance which also shows the performance of such funds reduced by applicable charges under the Separate Account. We may also show in advertisements the portfolio holdings of the underlying funds, updated at various intervals. From time to time, we will quote articles from newspapers and magazines or other publications or reports such as The Wall Street Journal, Money Magazine, USA Today and The VARDS Report.

We may provide in advertising, sales literature, periodic publications or other materials information on various topics of interest to current and prospective contract holders or participants. These topics may include the relationship between sectors of the economy and the economy as a whole and its effect on various securities markets, investment strategies and techniques (such as value investing, market timing, dollar cost averaging, asset allocation, constant ratio transfer and account rebalancing), the advantages and disadvantages of investing in tax-deferred and taxable investments, customer profiles and hypothetical purchase and investment scenarios, financial management and tax and retirement planning, and investment alternatives to certificates of deposit and other financial instruments, including comparison between the contracts and the characteristics of and market for such financial instruments.

## **EXPERTS**

The statements of assets and liabilities of Variable Annuity Account B as of December 31, 2015, and the related statements of operations and changes in net assets for the periods disclosed in the financial statements, and the consolidated financial statements of the Company as of December 31, 2015 and 2014, and for each of the three years in the period ended December 31, 2015, included in the Statement of Additional Information, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The primary business address of Ernst & Young LLP is 200 Clarendon St., Boston, MA 02116.

**FINANCIAL STATEMENTS**  
**Variable Annuity Account B of**  
**Voya Retirement Insurance and Annuity Company**  
*Year Ended December 31, 2015*  
*with Report of Independent Registered Public Accounting Firm*

This page intentionally left blank.

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY  
Financial Statements  
Year Ended December 31, 2015**

**Contents**

Report of Independent Registered Public Accounting Firm	1
Audited Financial Statements	
Statements of Assets and Liabilities	2
Statements of Operations	25
Statements of Changes in Net Assets	49
Notes to Financial Statements	79

This page intentionally left blank.

## Report of Independent Registered Public Accounting Firm

The Board of Directors and Participants of  
Voya Retirement Insurance and Annuity Company

We have audited the accompanying statements of assets and liabilities of each of the investment divisions disclosed in Note 1 as of December 31, 2015, of Variable Annuity Account B of Voya Retirement Insurance and Annuity Company (the “Account”), and the related statements of operations for the year or period then ended, and the statements of changes in net assets for the years or periods ended December 31, 2015 and 2014. These financial statements are the responsibility of the Account’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Account’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Account’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015, by correspondence with the transfer agents or fund companies. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the investment divisions disclosed in Note 1 constituting Variable Annuity Account B of Voya Retirement Insurance and Annuity Company at December 31, 2015, the results of their operations for the year or period then ended, and the changes in their net assets for the years or periods ended December 31, 2015 and 2014, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania  
April 14, 2016

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Invesco V.I. American Franchise Fund - Series I Shares</b>	<b>Invesco V.I. Core Equity Fund - Series I Shares</b>	<b>Growth Fund - Class 2</b>	<b>Growth- Income Fund - Class 2</b>	<b>International Fund - Class 2</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 928	\$ 1,370	\$ 134	\$ 118	\$ 40
Total assets	<u>928</u>	<u>1,370</u>	<u>134</u>	<u>118</u>	<u>40</u>
Net assets	<u>\$ 928</u>	<u>\$ 1,370</u>	<u>\$ 134</u>	<u>\$ 118</u>	<u>\$ 40</u>
<b>Net assets</b>					
Accumulation units	\$ 879	\$ 1,118	\$ 134	\$ 118	\$ 40
Contracts in payout (annuitization)	49	252	—	—	—
Total net assets	<u>\$ 928</u>	<u>\$ 1,370</u>	<u>\$ 134</u>	<u>\$ 118</u>	<u>\$ 40</u>
Total number of mutual fund shares	<u>16,191</u>	<u>40,476</u>	<u>1,977</u>	<u>2,613</u>	<u>2,221</u>
Cost of mutual fund shares	<u>\$ 738</u>	<u>\$ 1,163</u>	<u>\$ 152</u>	<u>\$ 130</u>	<u>\$ 43</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Assets and Liabilities**

**December 31, 2015**

*(Dollars in thousands)*

	<b>Calvert VP SRI Balanced Portfolio</b>	<b>Federated Fund for U.S. Government Securities II - Primary Shares</b>	<b>Federated High Income Bond Fund II - Primary Shares</b>	<b>Federated Kaufmann Fund II - Primary Shares</b>	<b>Federated Managed Tail Risk Fund II - Primary Shares</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 983	\$ 589	\$ 3,031	\$ 1,260	\$ 2,722
Total assets	<u>983</u>	<u>589</u>	<u>3,031</u>	<u>1,260</u>	<u>2,722</u>
Net assets	<u>\$ 983</u>	<u>\$ 589</u>	<u>\$ 3,031</u>	<u>\$ 1,260</u>	<u>\$ 2,722</u>
<b>Net assets</b>					
Accumulation units	\$ 983	\$ 589	\$ 2,999	\$ 1,260	\$ 2,674
Contracts in payout (annuitization)	—	—	32	—	48
Total net assets	<u>\$ 983</u>	<u>\$ 589</u>	<u>\$ 3,031</u>	<u>\$ 1,260</u>	<u>\$ 2,722</u>
Total number of mutual fund shares	<u>492,887</u>	<u>54,159</u>	<u>476,645</u>	<u>72,331</u>	<u>532,762</u>
Cost of mutual fund shares	<u>\$ 1,023</u>	<u>\$ 606</u>	<u>\$ 2,956</u>	<u>\$ 1,166</u>	<u>\$ 3,139</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Federated Managed Volatility Fund II</b>	<b>Federated Prime Money Fund II - Primary Shares</b>	<b>Fidelity® VIP Equity- Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Growth Portfolio - Initial Class</b>	<b>Fidelity® VIP High Income Portfolio - Initial Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 2,066	\$ 873	\$ 11,270	\$ 12,603	\$ 163
Total assets	<u>2,066</u>	<u>873</u>	<u>11,270</u>	<u>12,603</u>	<u>163</u>
Net assets	<u>\$ 2,066</u>	<u>\$ 873</u>	<u>\$ 11,270</u>	<u>\$ 12,603</u>	<u>\$ 163</u>
<b>Net assets</b>					
Accumulation units	\$ 2,042	\$ 866	\$ 11,270	\$ 12,603	\$ —
Contracts in payout (annuitization)	24	7	—	—	163
Total net assets	<u>\$ 2,066</u>	<u>\$ 873</u>	<u>\$ 11,270</u>	<u>\$ 12,603</u>	<u>\$ 163</u>
Total number of mutual fund shares	<u>222,405</u>	<u>873,056</u>	<u>550,822</u>	<u>191,678</u>	<u>33,006</u>
Cost of mutual fund shares	<u>\$ 2,034</u>	<u>\$ 873</u>	<u>\$ 12,459</u>	<u>\$ 8,435</u>	<u>\$ 185</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Fidelity® VIP Overseas Portfolio - Initial Class</b>	<b>Fidelity® VIP Contrafund® Portfolio - Initial Class</b>	<b>Fidelity® VIP Index 500 Portfolio - Initial Class</b>	<b>Fidelity® VIP Investment Grade Bond Portfolio - Initial Class</b>	<b>Franklin Small Cap Value VIP Fund - Class 2</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 3,092	\$ 38,170	\$ 19,508	\$ 491	\$ 2,294
Total assets	<u>3,092</u>	<u>38,170</u>	<u>19,508</u>	<u>491</u>	<u>2,294</u>
Net assets	<u>\$ 3,092</u>	<u>\$ 38,170</u>	<u>\$ 19,508</u>	<u>\$ 491</u>	<u>\$ 2,294</u>
<b>Net assets</b>					
Accumulation units	\$ 3,092	\$ 38,170	\$ 19,508	\$ 491	\$ 2,294
Contracts in payout (annuitization)	—	—	—	—	—
Total net assets	<u>\$ 3,092</u>	<u>\$ 38,170</u>	<u>\$ 19,508</u>	<u>\$ 491</u>	<u>\$ 2,294</u>
Total number of mutual fund shares	<u>162,052</u>	<u>1,125,296</u>	<u>94,500</u>	<u>39,691</u>	<u>129,779</u>
Cost of mutual fund shares	<u>\$ 3,017</u>	<u>\$ 29,544</u>	<u>\$ 13,057</u>	<u>\$ 492</u>	<u>\$ 2,526</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Assets and Liabilities**

**December 31, 2015**

*(Dollars in thousands)*

	<b>Janus Aspen Series Balanced Portfolio - Institutional Shares</b>	<b>Lord Abbett Series Fund - Mid Cap Stock Portfolio - Class VC</b>	<b>Oppenheimer Discovery Mid Cap Growth Fund/VA</b>	<b>Oppenheimer Global Fund/VA</b>	<b>Oppenheimer Main Street Fund®/VA</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 8	\$ 1,746	\$ 114	\$ 5	\$ 314
Total assets	<u>8</u>	<u>1,746</u>	<u>114</u>	<u>5</u>	<u>314</u>
Net assets	<u>\$ 8</u>	<u>\$ 1,746</u>	<u>\$ 114</u>	<u>\$ 5</u>	<u>\$ 314</u>
<b>Net assets</b>					
Accumulation units	\$ 8	\$ 1,746	\$ —	\$ 5	\$ —
Contracts in payout (annuitization)	—	—	114	—	314
Total net assets	<u>\$ 8</u>	<u>\$ 1,746</u>	<u>\$ 114</u>	<u>\$ 5</u>	<u>\$ 314</u>
Total number of mutual fund shares	<u>280</u>	<u>74,980</u>	<u>1,481</u>	<u>122</u>	<u>10,726</u>
Cost of mutual fund shares	<u>\$ 8</u>	<u>\$ 1,311</u>	<u>\$ 110</u>	<u>\$ 5</u>	<u>\$ 242</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Oppenheimer Main Street Small Cap Fund®/VA</b>	<b>PIMCO Real Return Portfolio - Administrative Class</b>	<b>Pioneer Emerging Markets VCT Portfolio - Class I</b>	<b>Pioneer High Yield VCT Portfolio - Class I</b>	<b>Voya Balanced Portfolio - Class I</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 1,352	\$ 2,482	\$ 595	\$ 584	\$ 58,918
Total assets	<u>1,352</u>	<u>2,482</u>	<u>595</u>	<u>584</u>	<u>58,918</u>
Net assets	<u>\$ 1,352</u>	<u>\$ 2,482</u>	<u>\$ 595</u>	<u>\$ 584</u>	<u>\$ 58,918</u>
<b>Net assets</b>					
Accumulation units	\$ 1,352	\$ 2,482	\$ 595	\$ 584	\$ 38,568
Contracts in payout (annuitization)	—	—	—	—	20,350
Total net assets	<u>\$ 1,352</u>	<u>\$ 2,482</u>	<u>\$ 595</u>	<u>\$ 584</u>	<u>\$ 58,918</u>
Total number of mutual fund shares	<u>63,427</u>	<u>208,061</u>	<u>39,017</u>	<u>68,281</u>	<u>4,178,550</u>
Cost of mutual fund shares	<u>\$ 1,570</u>	<u>\$ 2,876</u>	<u>\$ 840</u>	<u>\$ 693</u>	<u>\$ 50,070</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Intermediate Bond Portfolio - Class I</b>	<b>Voya Global Perspectives Portfolio - Class A</b>	<b>Voya Global Perspectives Portfolio - Class I</b>	<b>Voya High Yield Portfolio - Service Class</b>	<b>Voya Large Cap Growth Portfolio - Institutional Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 98,386	\$ 143	\$ 42	\$ 3,420	\$ 127,018
Total assets	<u>98,386</u>	<u>143</u>	<u>42</u>	<u>3,420</u>	<u>127,018</u>
Net assets	<u>\$ 98,386</u>	<u>\$ 143</u>	<u>\$ 42</u>	<u>\$ 3,420</u>	<u>\$ 127,018</u>
<b>Net assets</b>					
Accumulation units	\$ 91,055	\$ 143	\$ 42	\$ 3,420	\$ 121,530
Contracts in payout (annuitization)	7,331	—	—	—	5,488
Total net assets	<u>\$ 98,386</u>	<u>\$ 143</u>	<u>\$ 42</u>	<u>\$ 3,420</u>	<u>\$ 127,018</u>
Total number of mutual fund shares	<u>7,858,303</u>	<u>14,486</u>	<u>4,226</u>	<u>366,522</u>	<u>6,612,102</u>
Cost of mutual fund shares	<u>\$ 101,007</u>	<u>\$ 154</u>	<u>\$ 46</u>	<u>\$ 3,852</u>	<u>\$ 118,497</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Large Cap Value Portfolio - Institutional Class</b>	<b>Voya Large Cap Value Portfolio - Service Class</b>	<b>Voya Multi- Manager Large Cap Core Portfolio - Institutional Class</b>	<b>Voya Retirement Conservative Portfolio - Adviser Class</b>	<b>Voya Retirement Growth Portfolio - Adviser Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 8,185	\$ 2,617	\$ 7,762	\$ 2,542	\$ 4,082
Total assets	<u>8,185</u>	<u>2,617</u>	<u>7,762</u>	<u>2,542</u>	<u>4,082</u>
Net assets	<u>\$ 8,185</u>	<u>\$ 2,617</u>	<u>\$ 7,762</u>	<u>\$ 2,542</u>	<u>\$ 4,082</u>
<b>Net assets</b>					
Accumulation units	\$ 8,185	\$ 2,617	\$ 5,662	\$ 2,542	\$ 4,082
Contracts in payout (annuitization)	—	—	2,100	—	—
Total net assets	<u>\$ 8,185</u>	<u>\$ 2,617</u>	<u>\$ 7,762</u>	<u>\$ 2,542</u>	<u>\$ 4,082</u>
Total number of mutual fund shares	<u>736,080</u>	<u>237,937</u>	<u>535,343</u>	<u>288,508</u>	<u>310,635</u>
Cost of mutual fund shares	<u>\$ 8,387</u>	<u>\$ 2,718</u>	<u>\$ 6,873</u>	<u>\$ 2,664</u>	<u>\$ 3,319</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Retirement Moderate Growth Portfolio - Adviser Class</b>	<b>Voya Retirement Moderate Portfolio - Adviser Class</b>	<b>Voya U.S. Stock Index Portfolio - Service Class</b>	<b>VY® BlackRock Inflation Protected Bond Portfolio - Institutional Class</b>	<b>VY® BlackRock Inflation Protected Bond Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 3,257	\$ 4,363	\$ 86	\$ 315	\$ 1,874
Total assets	<u>3,257</u>	<u>4,363</u>	<u>86</u>	<u>315</u>	<u>1,874</u>
Net assets	<u>\$ 3,257</u>	<u>\$ 4,363</u>	<u>\$ 86</u>	<u>\$ 315</u>	<u>\$ 1,874</u>
<b>Net assets</b>					
Accumulation units	\$ 3,257	\$ 4,363	\$ 86	\$ 315	\$ 1,874
Contracts in payout (annuitization)	—	—	—	—	—
Total net assets	<u>\$ 3,257</u>	<u>\$ 4,363</u>	<u>\$ 86</u>	<u>\$ 315</u>	<u>\$ 1,874</u>
Total number of mutual fund shares	<u>255,250</u>	<u>379,715</u>	<u>6,481</u>	<u>34,315</u>	<u>205,516</u>
Cost of mutual fund shares	<u>\$ 2,902</u>	<u>\$ 4,391</u>	<u>\$ 77</u>	<u>\$ 357</u>	<u>\$ 2,035</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>VY® Clarion Global Real Estate Portfolio - Institutional Class</b>	<b>VY® Clarion Global Real Estate Portfolio - Service Class</b>	<b>VY® Clarion Real Estate Portfolio - Service Class</b>	<b>VY® FMR Diversified Mid Cap Portfolio - Institutional Class</b>	<b>VY® FMR Diversified Mid Cap Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 1,926	\$ 774	\$ 4,168	\$ 10,760	\$ 1,426
Total assets	<u>1,926</u>	<u>774</u>	<u>4,168</u>	<u>10,760</u>	<u>1,426</u>
Net assets	<u>\$ 1,926</u>	<u>\$ 774</u>	<u>\$ 4,168</u>	<u>\$ 10,760</u>	<u>\$ 1,426</u>
<b>Net assets</b>					
Accumulation units	\$ 1,926	\$ 774	\$ 4,168	\$ 8,979	\$ 1,426
Contracts in payout (annuitization)	—	—	—	1,781	—
Total net assets	<u>\$ 1,926</u>	<u>\$ 774</u>	<u>\$ 4,168</u>	<u>\$ 10,760</u>	<u>\$ 1,426</u>
Total number of mutual fund shares	<u>163,610</u>	<u>66,111</u>	<u>117,081</u>	<u>706,040</u>	<u>94,510</u>
Cost of mutual fund shares	<u>\$ 1,908</u>	<u>\$ 744</u>	<u>\$ 3,813</u>	<u>\$ 10,426</u>	<u>\$ 1,598</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>VY® Franklin Income Portfolio - Service Class</b>	<b>VY® Invesco Growth and Income Portfolio - Service Class</b>	<b>VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class</b>	<b>VY® JPMorgan Emerging Markets Equity Portfolio - Service Class</b>	<b>VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 5,050	\$ 978	\$ 1,593	\$ 6,190	\$ 2,711
Total assets	<u>5,050</u>	<u>978</u>	<u>1,593</u>	<u>6,190</u>	<u>2,711</u>
Net assets	<u>\$ 5,050</u>	<u>\$ 978</u>	<u>\$ 1,593</u>	<u>\$ 6,190</u>	<u>\$ 2,711</u>
<b>Net assets</b>					
Accumulation units	\$ 5,050	\$ 978	\$ 1,593	\$ 6,190	\$ 2,711
Contracts in payout (annuitization)	—	—	—	—	—
Total net assets	<u>\$ 5,050</u>	<u>\$ 978</u>	<u>\$ 1,593</u>	<u>\$ 6,190</u>	<u>\$ 2,711</u>
Total number of mutual fund shares	<u>498,027</u>	<u>37,911</u>	<u>117,727</u>	<u>459,882</u>	<u>153,363</u>
Cost of mutual fund shares	<u>\$ 5,308</u>	<u>\$ 1,076</u>	<u>\$ 2,215</u>	<u>\$ 8,387</u>	<u>\$ 2,799</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>VY® JPMorgan Small Cap Core Equity Portfolio - Service Class</b>	<b>VY® T. Rowe Price Capital Appreciation Portfolio - Service Class</b>	<b>VY® T. Rowe Price Equity Income Portfolio - Service Class</b>	<b>VY® T. Rowe Price International Stock Portfolio - Service Class</b>	<b>VY® Templeton Global Growth Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 998	\$ 29,174	\$ 5,095	\$ 2,301	\$ 348
Total assets	<u>998</u>	<u>29,174</u>	<u>5,095</u>	<u>2,301</u>	<u>348</u>
Net assets	<u>\$ 998</u>	<u>\$ 29,174</u>	<u>\$ 5,095</u>	<u>\$ 2,301</u>	<u>\$ 348</u>
<b>Net assets</b>					
Accumulation units	\$ 998	\$ 29,174	\$ 5,095	\$ 2,301	\$ 348
Contracts in payout (annuitization)	—	—	—	—	—
Total net assets	<u>\$ 998</u>	<u>\$ 29,174</u>	<u>\$ 5,095</u>	<u>\$ 2,301</u>	<u>\$ 348</u>
Total number of mutual fund shares	<u>57,074</u>	<u>1,116,490</u>	<u>385,390</u>	<u>181,046</u>	<u>25,721</u>
Cost of mutual fund shares	<u>\$ 1,130</u>	<u>\$ 29,577</u>	<u>\$ 5,304</u>	<u>\$ 2,069</u>	<u>\$ 393</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Money Market Portfolio - Class I</b>	<b>Voya Money Market Portfolio - Class S</b>	<b>Voya Global Bond Portfolio - Initial Class</b>	<b>Voya Global Bond Portfolio - Service Class</b>	<b>Voya Solution 2025 Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 41,143	\$ 44	\$ 17,581	\$ 66	\$ 3,800
Total assets	<u>41,143</u>	<u>44</u>	<u>17,581</u>	<u>66</u>	<u>3,800</u>
Net assets	<u>\$ 41,143</u>	<u>\$ 44</u>	<u>\$ 17,581</u>	<u>\$ 66</u>	<u>\$ 3,800</u>
<b>Net assets</b>					
Accumulation units	\$ 39,338	\$ 44	\$ 15,969	\$ —	\$ 3,800
Contracts in payout (annuitization)	1,805	—	1,612	66	—
Total net assets	<u>\$ 41,143</u>	<u>\$ 44</u>	<u>\$ 17,581</u>	<u>\$ 66</u>	<u>\$ 3,800</u>
Total number of mutual fund shares	<u>41,143,146</u>	<u>44,149</u>	<u>1,763,353</u>	<u>6,665</u>	<u>335,655</u>
Cost of mutual fund shares	<u>\$ 41,143</u>	<u>\$ 44</u>	<u>\$ 19,946</u>	<u>\$ 76</u>	<u>\$ 4,092</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Solution 2035 Portfolio - Service Class</b>	<b>Voya Solution 2045 Portfolio - Service Class</b>	<b>Voya Solution Income Portfolio - Service Class</b>	<b>Voya Solution Moderately Aggressive Portfolio - Service Class</b>	<b>VY® American Century Small-Mid Cap Value Portfolio - Service Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 7,035	\$ 4,076	\$ 3,158	\$ 189	\$ 2,823
Total assets	<u>7,035</u>	<u>4,076</u>	<u>3,158</u>	<u>189</u>	<u>2,823</u>
Net assets	<u>\$ 7,035</u>	<u>\$ 4,076</u>	<u>\$ 3,158</u>	<u>\$ 189</u>	<u>\$ 2,823</u>
<b>Net assets</b>					
Accumulation units	\$ 7,035	\$ 4,076	\$ 3,158	\$ 189	\$ 2,823
Contracts in payout (annuitization)	—	—	—	—	—
Total net assets	<u>\$ 7,035</u>	<u>\$ 4,076</u>	<u>\$ 3,158</u>	<u>\$ 189</u>	<u>\$ 2,823</u>
Total number of mutual fund shares	<u>615,442</u>	<u>360,994</u>	<u>286,045</u>	<u>16,695</u>	<u>251,629</u>
Cost of mutual fund shares	<u>\$ 7,638</u>	<u>\$ 4,518</u>	<u>\$ 3,219</u>	<u>\$ 196</u>	<u>\$ 3,146</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>VY® Baron Growth Portfolio - Service Class</b>	<b>VY® Columbia Contrarian Core Portfolio - Service Class</b>	<b>VY® Columbia Small Cap Value II Portfolio - Service Class</b>	<b>VY® Invesco Comstock Portfolio - Service Class</b>	<b>VY® Invesco Equity and Income Portfolio - Initial Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 4,849	\$ 2,297	\$ 744	\$ 1,087	\$ 68,652
Total assets	<u>4,849</u>	<u>2,297</u>	<u>744</u>	<u>1,087</u>	<u>68,652</u>
Net assets	<u>\$ 4,849</u>	<u>\$ 2,297</u>	<u>\$ 744</u>	<u>\$ 1,087</u>	<u>\$ 68,652</u>
<b>Net assets</b>					
Accumulation units	\$ 4,849	\$ 2,297	\$ 744	\$ 1,087	68,652
Contracts in payout (annuitization)	—	—	—	—	—
Total net assets	<u>\$ 4,849</u>	<u>\$ 2,297</u>	<u>\$ 744</u>	<u>\$ 1,087</u>	<u>\$ 68,652</u>
Total number of mutual fund shares	<u>175,890</u>	<u>103,402</u>	<u>46,400</u>	<u>71,655</u>	<u>1,655,462</u>
Cost of mutual fund shares	<u>\$ 4,918</u>	<u>\$ 2,151</u>	<u>\$ 685</u>	<u>\$ 1,026</u>	<u>\$ 67,842</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>VY® JPMorgan Mid Cap Value Portfolio - Service Class</b>	<b>VY® Oppenheimer Global Portfolio - Initial Class</b>	<b>VY® Pioneer High Yield Portfolio - Initial Class</b>	<b>VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class</b>	<b>VY® T. Rowe Price Growth Equity Portfolio - Initial Class</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 3,458	\$ 67,773	\$ 12,897	\$ 42,681	\$ 38,458
Total assets	<u>3,458</u>	<u>67,773</u>	<u>12,897</u>	<u>42,681</u>	<u>38,458</u>
Net assets	<u>\$ 3,458</u>	<u>\$ 67,773</u>	<u>\$ 12,897</u>	<u>\$ 42,681</u>	<u>\$ 38,458</u>
<b>Net assets</b>					
Accumulation units	\$ 3,458	\$ 65,261	\$ 11,879	\$ 42,681	\$ 33,238
Contracts in payout (annuitization)	—	2,512	1,018	—	5,220
Total net assets	<u>\$ 3,458</u>	<u>\$ 67,773</u>	<u>\$ 12,897</u>	<u>\$ 42,681</u>	<u>\$ 38,458</u>
Total number of mutual fund shares	<u>183,035</u>	<u>3,771,479</u>	<u>1,197,455</u>	<u>4,026,538</u>	<u>446,460</u>
Cost of mutual fund shares	<u>\$ 3,313</u>	<u>\$ 55,946</u>	<u>\$ 14,171</u>	<u>\$ 36,269</u>	<u>\$ 29,236</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>VY® Templeton Foreign Equity Portfolio - Initial Class</b>	<b>Voya Strategic Allocation Conservative Portfolio - Class I</b>	<b>Voya Strategic Allocation Growth Portfolio - Class I</b>	<b>Voya Strategic Allocation Moderate Portfolio - Class I</b>	<b>Voya Growth and Income Portfolio - Class A</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 12,870	\$ 6,108	\$ 8,840	\$ 7,962	\$ 1,517
Total assets	<u>12,870</u>	<u>6,108</u>	<u>8,840</u>	<u>7,962</u>	<u>1,517</u>
Net assets	<u>\$ 12,870</u>	<u>\$ 6,108</u>	<u>\$ 8,840</u>	<u>\$ 7,962</u>	<u>\$ 1,517</u>
<b>Net assets</b>					
Accumulation units	\$ 12,099	\$ 4,669	\$ 7,733	\$ 6,058	\$ —
Contracts in payout (annuitization)	771	1,439	1,107	1,904	1,517
Total net assets	<u>\$ 12,870</u>	<u>\$ 6,108</u>	<u>\$ 8,840</u>	<u>\$ 7,962</u>	<u>\$ 1,517</u>
Total number of mutual fund shares	<u>1,149,089</u>	<u>499,389</u>	<u>664,653</u>	<u>626,910</u>	<u>54,558</u>
Cost of mutual fund shares	<u>\$ 12,219</u>	<u>\$ 5,573</u>	<u>\$ 6,526</u>	<u>\$ 6,617</u>	<u>\$ 1,340</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Growth and Income Portfolio - Class I</b>	<b>Voya Emerging Markets Index Portfolio - Class I</b>	<b>Voya Euro STOXX 50® Index Portfolio - Class I</b>	<b>Voya Global Value Advantage Portfolio - Class I</b>	<b>Voya Global Value Advantage Portfolio - Class S</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 215,524	\$ 31	\$ 44	\$ 2,698	\$ 1,090
Total assets	<u>215,524</u>	<u>31</u>	<u>44</u>	<u>2,698</u>	<u>1,090</u>
Net assets	<u>\$ 215,524</u>	<u>\$ 31</u>	<u>\$ 44</u>	<u>\$ 2,698</u>	<u>\$ 1,090</u>
<b>Net assets</b>					
Accumulation units	\$ 157,679	\$ 31	\$ 44	\$ 2,698	\$ 1,090
Contracts in payout (annuitization)	57,845	—	—	—	—
Total net assets	<u>\$ 215,524</u>	<u>\$ 31</u>	<u>\$ 44</u>	<u>\$ 2,698</u>	<u>\$ 1,090</u>
Total number of mutual fund shares	<u>7,661,714</u>	<u>3,532</u>	<u>4,552</u>	<u>301,737</u>	<u>122,087</u>
Cost of mutual fund shares	<u>\$ 186,019</u>	<u>\$ 38</u>	<u>\$ 44</u>	<u>\$ 2,868</u>	<u>\$ 1,161</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Index Plus LargeCap Portfolio - Class I</b>	<b>Voya Index Plus MidCap Portfolio - Class I</b>	<b>Voya Index Plus SmallCap Portfolio - Class I</b>	<b>Voya International Index Portfolio - Class I</b>	<b>Voya International Index Portfolio - Class S</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 61,663	\$ 6,902	\$ 3,613	\$ 12,589	\$ 9
Total assets	<u>61,663</u>	<u>6,902</u>	<u>3,613</u>	<u>12,589</u>	<u>9</u>
Net assets	<u>\$ 61,663</u>	<u>\$ 6,902</u>	<u>\$ 3,613</u>	<u>\$ 12,589</u>	<u>\$ 9</u>
<b>Net assets</b>					
Accumulation units	\$ 45,086	\$ 6,902	\$ 3,613	\$ 10,888	\$ 9
Contracts in payout (annuitization)	16,577	—	—	1,701	—
Total net assets	<u>\$ 61,663</u>	<u>\$ 6,902</u>	<u>\$ 3,613</u>	<u>\$ 12,589</u>	<u>\$ 9</u>
Total number of mutual fund shares	<u>2,762,688</u>	<u>332,797</u>	<u>164,429</u>	<u>1,395,626</u>	<u>1,035</u>
Cost of mutual fund shares	<u>\$ 41,223</u>	<u>\$ 6,123</u>	<u>\$ 2,686</u>	<u>\$ 13,244</u>	<u>\$ 10</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Russell™ Large Cap Growth Index Portfolio - Class I</b>	<b>Voya Russell™ Large Cap Index Portfolio - Class I</b>	<b>Voya Russell™ Large Cap Value Index Portfolio - Class I</b>	<b>Voya Russell™ Large Cap Value Index Portfolio - Class S</b>	<b>Voya Russell™ Mid Cap Growth Index Portfolio - Class S</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 26,934	\$ 16,537	\$ 39,307	\$ 1,308	\$ 1,090
Total assets	<u>26,934</u>	<u>16,537</u>	<u>39,307</u>	<u>1,308</u>	<u>1,090</u>
Net assets	<u>\$ 26,934</u>	<u>\$ 16,537</u>	<u>\$ 39,307</u>	<u>\$ 1,308</u>	<u>\$ 1,090</u>
<b>Net assets</b>					
Accumulation units	\$ 26,489	\$ 13,522	\$ 39,307	\$ 1,308	\$ 1,090
Contracts in payout (annuitization)	445	3,015	—	—	—
Total net assets	<u>\$ 26,934</u>	<u>\$ 16,537</u>	<u>\$ 39,307</u>	<u>\$ 1,308</u>	<u>\$ 1,090</u>
Total number of mutual fund shares	<u>1,039,932</u>	<u>1,033,563</u>	<u>2,094,122</u>	<u>70,075</u>	<u>40,649</u>
Cost of mutual fund shares	<u>\$ 14,047</u>	<u>\$ 11,901</u>	<u>\$ 39,323</u>	<u>\$ 1,206</u>	<u>\$ 900</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya Russell™ Mid Cap Index Portfolio - Class I</b>	<b>Voya Russell™ Small Cap Index Portfolio - Class I</b>	<b>Voya Small Company Portfolio - Class I</b>	<b>Voya U.S. Bond Index Portfolio - Class I</b>	<b>Voya MidCap Opportunities Portfolio - Class I</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 1,451	\$ 1,385	\$ 23,383	\$ 1,249	\$ 5,451
Total assets	<u>1,451</u>	<u>1,385</u>	<u>23,383</u>	<u>1,249</u>	<u>5,451</u>
Net assets	<u>\$ 1,451</u>	<u>\$ 1,385</u>	<u>\$ 23,383</u>	<u>\$ 1,249</u>	<u>\$ 5,451</u>
<b>Net assets</b>					
Accumulation units	\$ 1,451	\$ 1,385	\$ 19,379	\$ 1,249	\$ 5,451
Contracts in payout (annuitization)	—	—	4,004	—	—
Total net assets	<u>\$ 1,451</u>	<u>\$ 1,385</u>	<u>\$ 23,383</u>	<u>\$ 1,249</u>	<u>\$ 5,451</u>
Total number of mutual fund shares	<u>94,577</u>	<u>97,162</u>	<u>1,185,149</u>	<u>118,710</u>	<u>422,891</u>
Cost of mutual fund shares	<u>\$ 1,535</u>	<u>\$ 1,462</u>	<u>\$ 21,478</u>	<u>\$ 1,268</u>	<u>\$ 5,950</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<b>Voya MidCap Opportunities Portfolio - Class S</b>	<b>Voya SmallCap Opportunities Portfolio - Class I</b>	<b>Voya SmallCap Opportunities Portfolio - Class S</b>	<b>Wanger International</b>	<b>Wanger Select</b>
<b>Assets</b>					
Investments in mutual funds					
at fair value	\$ 3,014	\$ 1,647	\$ 2,107	\$ 2,155	\$ 2,219
Total assets	<u>3,014</u>	<u>1,647</u>	<u>2,107</u>	<u>2,155</u>	<u>2,219</u>
Net assets	<u>\$ 3,014</u>	<u>\$ 1,647</u>	<u>\$ 2,107</u>	<u>\$ 2,155</u>	<u>\$ 2,219</u>
<b>Net assets</b>					
Accumulation units	\$ 3,014	\$ 1,647	\$ 2,107	\$ 2,155	\$ 2,219
Contracts in payout (annuitization)	—	—	—	—	—
Total net assets	<u>\$ 3,014</u>	<u>\$ 1,647</u>	<u>\$ 2,107</u>	<u>\$ 2,155</u>	<u>\$ 2,219</u>
Total number of mutual fund shares	<u>244,247</u>	<u>66,452</u>	<u>89,319</u>	<u>81,892</u>	<u>91,797</u>
Cost of mutual fund shares	<u>\$ 3,146</u>	<u>\$ 1,813</u>	<u>\$ 2,145</u>	<u>\$ 2,538</u>	<u>\$ 2,538</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Assets and Liabilities**  
**December 31, 2015**  
*(Dollars in thousands)*

	<u>Wanger USA</u>
<b>Assets</b>	
Investments in mutual funds	
at fair value	\$ 1,015
Total assets	<u>1,015</u>
Net assets	<u>\$ 1,015</u>
 <b>Net assets</b>	
Accumulation units	\$ 1,015
Contracts in payout (annuitization)	—
Total net assets	<u>\$ 1,015</u>
 Total number of mutual fund shares	 <u>31,977</u>
 Cost of mutual fund shares	 <u>\$ 1,179</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>Invesco V.I. American Franchise Fund - Series I Shares</b>	<b>Invesco V.I. Core Equity Fund - Series I Shares</b>	<b>Growth Fund - Class 2</b>	<b>Growth- Income Fund - Class 2</b>	<b>International Fund - Class 2</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ —	\$ 17	\$ 1	\$ 2	\$ 1
Expenses:					
Mortality and expense risks and other charges	7	14	—	—	—
Total expenses	7	14	—	—	—
Net investment income (loss)	(7)	3	1	2	1
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	62	129	(7)	3	—
Capital gains distributions	5	155	32	16	2
Total realized gain (loss) on investments and capital gains distributions	67	284	25	19	2
Net unrealized appreciation (depreciation) of investments	(24)	(390)	(19)	(19)	(5)
Net realized and unrealized gain (loss) on investments	43	(106)	6	—	(3)
Net increase (decrease) in net assets resulting from operations	\$ 36	\$ (103)	\$ 7	\$ 2	\$ (2)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	<b>Calvert VP SRI Balanced Portfolio</b>	<b>Federated Fund for U.S. Government Securities II - Primary Shares</b>	<b>Federated High Income Bond Fund II - Primary Shares</b>	<b>Federated Kaufmann Fund II - Primary Shares</b>	<b>Federated Managed Tail Risk Fund II - Primary Shares</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 1	\$ 18	\$ 201	\$ —	\$ 58
Expenses:					
Mortality and expense risks and other charges	10	9	49	21	45
Total expenses	10	9	49	21	45
Net investment income (loss)	(9)	9	152	(21)	13
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	46	(3)	(69)	202	(68)
Capital gains distributions	4	—	—	233	5
Total realized gain (loss) on investments and capital gains distributions	50	(3)	(69)	435	(63)
Net unrealized appreciation (depreciation) of investments	(74)	(11)	(210)	(320)	(178)
Net realized and unrealized gain (loss) on investments	(24)	(14)	(279)	115	(241)
Net increase (decrease) in net assets resulting from operations	\$ (33)	\$ (5)	\$ (127)	\$ 94	\$ (228)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**  
*(Dollars in thousands)*

	<b>Federated Managed Volatility Fund II</b>	<b>Federated Prime Money Fund II - Primary Shares</b>	<b>Fidelity® VIP Equity-Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Growth Portfolio - Initial Class</b>	<b>Fidelity® VIP High Income Portfolio - Initial Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 106	\$ —	\$ 413	\$ 33	\$ 12
Expenses:					
Mortality and expense risks and other charges	34	14	435	124	2
Total expenses	34	14	435	124	2
Net investment income (loss)	72	(14)	(22)	(91)	10
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	74	—	2,119	928	2
Capital gains distributions	11	—	4,547	416	—
Total realized gain (loss) on investments and capital gains distributions	85	—	6,666	1,344	2
Net unrealized appreciation (depreciation) of investments	(369)	—	(7,206)	(447)	(19)
Net realized and unrealized gain (loss) on investments	(284)	—	(540)	897	(17)
Net increase (decrease) in net assets resulting from operations	\$ (212)	\$ (14)	\$ (562)	\$ 806	\$ (7)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>Fidelity® VIP Overseas Portfolio - Initial Class</b>	<b>Fidelity® VIP Contrafund® Portfolio - Initial Class</b>	<b>Fidelity® VIP Index 500 Portfolio - Initial Class</b>	<b>Fidelity® VIP Investment Grade Bond Portfolio - Initial Class</b>	<b>Franklin Small Cap Value VIP Fund - Class 2</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 42	\$ 413	\$ 402	\$ 13	\$ 16
Expenses:					
Mortality and expense risks and other charges	33	351	286	7	22
Total expenses	33	351	286	7	22
Net investment income (loss)	9	62	116	6	(6)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	250	3,900	813	1	206
Capital gains distributions	3	3,693	13	—	358
Total realized gain (loss) on investments and capital gains distributions	253	7,593	826	1	564
Net unrealized appreciation (depreciation) of investments	(173)	(7,731)	(941)	(17)	(766)
Net realized and unrealized gain (loss) on investments	80	(138)	(115)	(16)	(202)
Net increase (decrease) in net assets resulting from operations	\$ 89	\$ (76)	\$ 1	\$ (10)	\$ (208)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	<b>Janus Aspen Series Balanced Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Enterprise Portfolio - Institutional Shares</b>	<b>Lord Abbett Series Fund - Mid Cap Stock Portfolio - Class VC</b>	<b>Oppenheimer Discovery Mid Cap Growth Fund/VA</b>	<b>Oppenheimer Global Fund/VA</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ —	\$ —	\$ 11	\$ —	\$ —
Expenses:					
Mortality and expense risks and other charges	—	—	20	1	—
Total expenses	—	—	20	1	—
Net investment income (loss)	—	—	(9)	(1)	—
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	—	—	246	6	6
Capital gains distributions	—	—	110	11	2
Total realized gain (loss) on investments and capital gains distributions	—	—	356	17	8
Net unrealized appreciation (depreciation) of investments	—	—	(435)	(10)	(7)
Net realized and unrealized gain (loss) on investments	—	—	(79)	7	1
Net increase (decrease) in net assets resulting from operations	\$ —	\$ —	\$ (88)	\$ 6	\$ 1

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>Oppenheimer Main Street Fund@/VA</b>	<b>Oppenheimer Main Street Small Cap Fund@/VA</b>	<b>PIMCO Real Return Portfolio - Administrative Class</b>	<b>Pioneer Emerging Markets VCT Portfolio - Class I</b>	<b>Pioneer High Yield VCT Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 3	\$ 12	\$ 107	\$ 30	\$ 41
Expenses:					
Mortality and expense risks and other charges	4	13	24	5	8
Total expenses	4	13	24	5	8
Net investment income (loss)	(1)	(1)	83	25	33
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	9	63	(80)	(68)	(69)
Capital gains distributions	50	206	—	102	27
Total realized gain (loss) on investments and capital gains distributions	59	269	(80)	34	(42)
Net unrealized appreciation (depreciation) of investments	(51)	(372)	(95)	(175)	(13)
Net realized and unrealized gain (loss) on investments	8	(103)	(175)	(141)	(55)
Net increase (decrease) in net assets resulting from operations	\$ 7	\$ (104)	\$ (92)	\$ (116)	\$ (22)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>Voya Balanced Portfolio - Class I</b>	<b>Voya Intermediate Bond Portfolio - Class I</b>	<b>Voya Global Perspectives Portfolio - Class A</b>	<b>Voya Global Perspectives Portfolio - Class I</b>	<b>Voya Global Resources Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 1,272	\$ 3,481	\$ 4	\$ 1	\$ 54
Expenses:					
Mortality and expense risks and other charges	785	1,194	2	—	6
Total expenses	785	1,194	2	—	6
Net investment income (loss)	487	2,287	2	1	48
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	436	1,364	1	1	(750)
Capital gains distributions	—	—	6	2	—
Total realized gain (loss) on investments and capital gains distributions	436	1,364	7	3	(750)
Net unrealized appreciation (depreciation) of investments	(2,755)	(4,181)	(16)	(4)	610
Net realized and unrealized gain (loss) on investments	(2,319)	(2,817)	(9)	(1)	(140)
Net increase (decrease) in net assets resulting from operations	\$ (1,832)	\$ (530)	\$ (7)	\$ —	\$ (92)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>Voya High Yield Portfolio - Service Class</b>	<b>Voya Large Cap Growth Portfolio - Institutional Class</b>	<b>Voya Large Cap Value Portfolio - Institutional Class</b>	<b>Voya Large Cap Value Portfolio - Service Class</b>	<b>Voya Multi- Manager Large Cap Core Portfolio - Institutional Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 212	\$ 742	\$ 164	\$ 43	\$ 81
Expenses:					
Mortality and expense risks and other charges	40	1,664	80	22	103
Total expenses	40	1,664	80	22	103
Net investment income (loss)	172	(922)	84	21	(22)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(19)	4,765	907	51	494
Capital gains distributions	—	12,849	489	64	510
Total realized gain (loss) on investments and capital gains distributions	(19)	17,614	1,396	115	1,004
Net unrealized appreciation (depreciation) of investments	(238)	(9,961)	(1,982)	(285)	(1,121)
Net realized and unrealized gain (loss) on investments	(257)	7,653	(586)	(170)	(117)
Net increase (decrease) in net assets resulting from operations	\$ (85)	\$ 6,731	\$ (502)	\$ (149)	\$ (139)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	<b>Voya Retirement Conservative Portfolio - Adviser Class</b>	<b>Voya Retirement Growth Portfolio - Adviser Class</b>	<b>Voya Retirement Moderate Growth Portfolio - Adviser Class</b>	<b>Voya Retirement Moderate Portfolio - Adviser Class</b>	<b>Voya U.S. Stock Index Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 43	\$ 74	\$ 54	\$ 41	\$ 1
Expenses:					
Mortality and expense risks and other charges	33	56	43	56	1
Total expenses	33	56	43	56	1
Net investment income (loss)	10	18	11	(15)	—
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(63)	168	190	168	1
Capital gains distributions	106	—	92	346	8
Total realized gain (loss) on investments and capital gains distributions	43	168	282	514	9
Net unrealized appreciation (depreciation) of investments	(108)	(335)	(384)	(620)	(9)
Net realized and unrealized gain (loss) on investments	(65)	(167)	(102)	(106)	—
Net increase (decrease) in net assets resulting from operations	\$ (55)	\$ (149)	\$ (91)	\$ (121)	\$ —

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	<b>VY® BlackRock Inflation Protected Bond Portfolio - Institutional Class</b>	<b>VY® BlackRock Inflation Protected Bond Portfolio - Service Class</b>	<b>VY® Clarion Global Real Estate Portfolio - Institutional Class</b>	<b>VY® Clarion Global Real Estate Portfolio - Service Class</b>	<b>VY® Clarion Real Estate Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 4	\$ 26	\$ 62	\$ 27	\$ 54
Expenses:					
Mortality and expense risks and other charges	2	26	15	11	28
Total expenses	2	26	15	11	28
Net investment income (loss)	2	—	47	16	26
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(1)	(135)	54	76	372
Capital gains distributions	—	—	—	—	—
Total realized gain (loss) on investments and capital gains distributions	(1)	(135)	54	76	372
Net unrealized appreciation (depreciation) of investments	(11)	51	(145)	(122)	(336)
Net realized and unrealized gain (loss) on investments	(12)	(84)	(91)	(46)	36
Net increase (decrease) in net assets resulting from operations	\$ (10)	\$ (84)	\$ (44)	\$ (30)	\$ 62

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>VY® FMR Diversified Mid Cap Portfolio - Institutional Class</b>	<b>VY® FMR Diversified Mid Cap Portfolio - Service Class</b>	<b>VY® Franklin Income Portfolio - Service Class</b>	<b>VY® Franklin Mutual Shares Portfolio - Service Class</b>	<b>VY® Franklin Templeton Founding Strategy Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 47	\$ 2	\$ 264	\$ 135	\$ 13
Expenses:					
Mortality and expense risks and other charges	156	13	70	14	2
Total expenses	156	13	70	14	2
Net investment income (loss)	(109)	(11)	194	121	11
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	651	88	117	(272)	(39)
Capital gains distributions	2,134	284	—	709	24
Total realized gain (loss) on investments and capital gains distributions	2,785	372	117	437	(15)
Net unrealized appreciation (depreciation) of investments	(2,921)	(380)	(738)	(528)	4
Net realized and unrealized gain (loss) on investments	(136)	(8)	(621)	(91)	(11)
Net increase (decrease) in net assets resulting from operations	\$ (245)	\$ (19)	\$ (427)	\$ 30	\$ —

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	<b>VY® Invesco Growth and Income Portfolio - Service Class</b>	<b>VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class</b>	<b>VY® JPMorgan Emerging Markets Equity Portfolio - Service Class</b>	<b>VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class</b>	<b>VY® JPMorgan Small Cap Core Equity Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 33	\$ 30	\$ 86	\$ 15	\$ 2
Expenses:					
Mortality and expense risks and other charges	10	29	58	39	8
Total expenses	10	29	58	39	8
Net investment income (loss)	23	1	28	(24)	(6)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	72	(75)	(491)	234	61
Capital gains distributions	140	130	472	372	131
Total realized gain (loss) on investments and capital gains distributions	212	55	(19)	606	192
Net unrealized appreciation (depreciation) of investments	(275)	(386)	(1,247)	(715)	(227)
Net realized and unrealized gain (loss) on investments	(63)	(331)	(1,266)	(109)	(35)
Net increase (decrease) in net assets resulting from operations	\$ (40)	\$ (330)	\$ (1,238)	\$ (133)	\$ (41)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>VY® T. Rowe Price Capital Appreciation Portfolio - Service Class</b>	<b>VY® T. Rowe Price Equity Income Portfolio - Service Class</b>	<b>VY® T. Rowe Price International Stock Portfolio - Service Class</b>	<b>VY® Templeton Global Growth Portfolio - Service Class</b>	<b>Voya Money Market Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 369	\$ 113	\$ 24	\$ 12	\$ —
Expenses:					
Mortality and expense risks and other charges	243	54	28	5	535
Total expenses	243	54	28	5	535
Net investment income (loss)	126	59	(4)	7	(535)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	853	176	182	16	—
Capital gains distributions	3,663	653	—	13	5
Total realized gain (loss) on investments and capital gains distributions	4,516	829	182	29	5
Net unrealized appreciation (depreciation) of investments	(3,458)	(1,325)	(228)	(70)	—
Net realized and unrealized gain (loss) on investments	1,058	(496)	(46)	(41)	5
Net increase (decrease) in net assets resulting from operations	\$ 1,184	\$ (437)	\$ (50)	\$ (34)	\$ (530)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>Voya Money Market Portfolio - Class S</b>	<b>Voya Aggregate Bond Portfolio - Service Class</b>	<b>Voya Global Bond Portfolio - Initial Class</b>	<b>Voya Global Bond Portfolio - Service Class</b>	<b>Voya Solution 2015 Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ —	\$ 444	\$ —	\$ —	\$ 114
Expenses:					
Mortality and expense risks and other charges	—	52	242	1	19
Total expenses	—	52	242	1	19
Net investment income (loss)	—	392	(242)	(1)	95
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	—	(968)	(229)	(2)	(153)
Capital gains distributions	—	493	—	—	299
Total realized gain (loss) on investments and capital gains distributions	—	(475)	(229)	(2)	146
Net unrealized appreciation (depreciation) of investments	—	59	(628)	(2)	(197)
Net realized and unrealized gain (loss) on investments	—	(416)	(857)	(4)	(51)
Net increase (decrease) in net assets resulting from operations	\$ —	\$ (24)	\$ (1,099)	\$ (5)	\$ 44

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	Voya Solution 2025 Portfolio - Service Class	Voya Solution 2035 Portfolio - Service Class	Voya Solution 2045 Portfolio - Service Class	Voya Solution Income Portfolio - Service Class	Voya Solution Moderately Aggressive Portfolio - Service Class
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 131	\$ 217	\$ 113	\$ 32	\$ —
Expenses:					
Mortality and expense risks and other charges	35	58	25	17	1
Total expenses	35	58	25	17	1
Net investment income (loss)	96	159	88	15	(1)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	109	333	18	32	—
Capital gains distributions	418	794	545	42	—
Total realized gain (loss) on investments and capital gains distributions	527	1,127	563	74	—
Net unrealized appreciation (depreciation) of investments	(672)	(1,381)	(731)	(150)	(7)
Net realized and unrealized gain (loss) on investments	(145)	(254)	(168)	(76)	(7)
Net increase (decrease) in net assets resulting from operations	\$ (49)	\$ (95)	\$ (80)	\$ (61)	\$ (8)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>VY® American Century Small-Mid Cap Value Portfolio - Service Class</b>	<b>VY® Baron Growth Portfolio - Service Class</b>	<b>VY® Columbia Contrarian Core Portfolio - Service Class</b>	<b>VY® Columbia Small Cap Value II Portfolio - Service Class</b>	<b>VY® Invesco Comstock Portfolio - Service Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 48	\$ 13	\$ 21	\$ 2	\$ 27
Expenses:					
Mortality and expense risks and other charges	19	55	25	7	11
Total expenses	19	55	25	7	11
Net investment income (loss)	29	(42)	(4)	(5)	16
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	73	450	191	37	184
Capital gains distributions	579	420	272	—	—
Total realized gain (loss) on investments and capital gains distributions	652	870	463	37	184
Net unrealized appreciation (depreciation) of investments	(749)	(1,155)	(422)	(58)	(274)
Net realized and unrealized gain (loss) on investments	(97)	(285)	41	(21)	(90)
Net increase (decrease) in net assets resulting from operations	\$ (68)	\$ (327)	\$ 37	\$ (26)	\$ (74)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>VY® Invesco Equity and Income Portfolio - Initial Class</b>	<b>VY® JPMorgan Mid Cap Value Portfolio - Service Class</b>	<b>VY® Oppenheimer Global Portfolio - Initial Class</b>	<b>VY® Pioneer High Yield Portfolio - Initial Class</b>	<b>VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 1,626	\$ 22	\$ 1,051	\$ 773	\$ —
Expenses:					
Mortality and expense risks and other charges	898	31	873	182	540
Total expenses	898	31	873	182	540
Net investment income (loss)	728	(9)	178	591	(540)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	2,047	331	2,721	141	1,580
Capital gains distributions	5,743	519	5,447	—	6,847
Total realized gain (loss) on investments and capital gains distributions	7,790	850	8,168	141	8,427
Net unrealized appreciation (depreciation) of investments	(10,854)	(981)	(6,102)	(1,528)	(7,364)
Net realized and unrealized gain (loss) on investments	(3,064)	(131)	2,066	(1,387)	1,063
Net increase (decrease) in net assets resulting from operations	\$ (2,336)	\$ (140)	\$ 2,244	\$ (796)	\$ 523

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	<b>VY® T. Rowe Price Growth Equity Portfolio - Initial Class</b>	<b>VY® Templeton Foreign Equity Portfolio - Initial Class</b>	<b>Voya Strategic Allocation Conservative Portfolio - Class I</b>	<b>Voya Strategic Allocation Growth Portfolio - Class I</b>	<b>Voya Strategic Allocation Moderate Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ —	\$ 566	\$ 213	\$ 241	\$ 260
Expenses:					
Mortality and expense risks and other charges	453	166	83	94	109
Total expenses	453	166	83	94	109
Net investment income (loss)	(453)	400	130	147	151
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	2,165	844	322	323	704
Capital gains distributions	5,354	—	—	—	—
Total realized gain (loss) on investments and capital gains distributions	7,519	844	322	323	704
Net unrealized appreciation (depreciation) of investments	(3,709)	(1,833)	(550)	(679)	(979)
Net realized and unrealized gain (loss) on investments	3,810	(989)	(228)	(356)	(275)
Net increase (decrease) in net assets resulting from operations	\$ 3,357	\$ (589)	\$ (98)	\$ (209)	\$ (124)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	Voya Growth and Income Portfolio - Class A	Voya Growth and Income Portfolio - Class I	Voya Emerging Markets Index Portfolio - Class I	Voya Euro STOXX 50® Index Portfolio - Class I	Voya Global Value Advantage Portfolio - Class I
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 25	\$ 4,525	\$ 2	\$ 1	\$ 20
Expenses:					
Mortality and expense risks and other charges	21	2,650	—	—	22
Total expenses	21	2,650	—	—	22
Net investment income (loss)	4	1,875	2	1	(2)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	84	11,353	(8)	1	(13)
Capital gains distributions	75	10,402	—	—	—
Total realized gain (loss) on investments and capital gains distributions	159	21,755	(8)	1	(13)
Net unrealized appreciation (depreciation) of investments	(208)	(29,189)	(7)	(4)	(170)
Net realized and unrealized gain (loss) on investments	(49)	(7,434)	(15)	(3)	(183)
Net increase (decrease) in net assets resulting from operations	\$ (45)	\$ (5,559)	\$ (13)	\$ (2)	\$ (185)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015  
(Dollars in thousands)**

	Voya Global Value Advantage Portfolio - Class S	Voya Index Plus LargeCap Portfolio - Class I	Voya Index Plus MidCap Portfolio - Class I	Voya Index Plus SmallCap Portfolio - Class I	Voya International Index Portfolio - Class I
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 6	\$ 1,060	\$ 74	\$ 37	\$ 426
Expenses:					
Mortality and expense risks and other charges	12	771	64	37	165
Total expenses	12	771	64	37	165
Net investment income (loss)	(6)	289	10	—	261
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	(1)	3,304	490	447	440
Capital gains distributions	—	—	1,105	—	—
Total realized gain (loss) on investments and capital gains distributions	(1)	3,304	1,595	447	440
Net unrealized appreciation (depreciation) of investments	(71)	(3,767)	(1,798)	(597)	(940)
Net realized and unrealized gain (loss) on investments	(72)	(463)	(203)	(150)	(500)
Net increase (decrease) in net assets resulting from operations	\$ (78)	\$ (174)	\$ (193)	\$ (150)	\$ (239)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	Voya International Index Portfolio - Class S	Voya Russell™ Large Cap Growth Index Portfolio - Class I	Voya Russell™ Large Cap Index Portfolio - Class I	Voya Russell™ Large Cap Value Index Portfolio - Class I	Voya Russell™ Large Cap Value Index Portfolio - Class S
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 3	\$ 325	\$ 291	\$ 113	\$ 21
Expenses:					
Mortality and expense risks and other charges	1	344	214	240	20
Total expenses	1	344	214	240	20
Net investment income (loss)	2	(19)	77	(127)	1
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	5	2,378	1,438	1,155	307
Capital gains distributions	—	—	—	89	19
Total realized gain (loss) on investments and capital gains distributions	5	2,378	1,438	1,244	326
Net unrealized appreciation (depreciation) of investments	(7)	(664)	(1,392)	(2,617)	(401)
Net realized and unrealized gain (loss) on investments	(2)	1,714	46	(1,373)	(75)
Net increase (decrease) in net assets resulting from operations	\$ —	\$ 1,695	\$ 123	\$ (1,500)	\$ (74)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	<b>Voya Russell™ Mid Cap Growth Index Portfolio - Class S</b>	<b>Voya Russell™ Mid Cap Index Portfolio - Class I</b>	<b>Voya Russell™ Small Cap Index Portfolio - Class I</b>	<b>Voya Small Company Portfolio - Class I</b>	<b>Voya U.S. Bond Index Portfolio - Class I</b>
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 10	\$ 18	\$ 17	\$ 130	\$ 31
Expenses:					
Mortality and expense risks and other charges	14	10	11	302	11
Total expenses	14	10	11	302	11
Net investment income (loss)	(4)	8	6	(172)	20
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	195	139	75	1,109	(16)
Capital gains distributions	—	113	136	3,758	3
Total realized gain (loss) on investments and capital gains distributions	195	252	211	4,867	(13)
Net unrealized appreciation (depreciation) of investments	(206)	(300)	(290)	(5,101)	(16)
Net realized and unrealized gain (loss) on investments	(11)	(48)	(79)	(234)	(29)
Net increase (decrease) in net assets resulting from operations	\$ (15)	\$ (40)	\$ (73)	\$ (406)	\$ (9)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	Voya International Value Portfolio - Class I	Voya MidCap Opportunities Portfolio - Class I	Voya MidCap Opportunities Portfolio - Class S	Voya SmallCap Opportunities Portfolio - Class I	Voya SmallCap Opportunities Portfolio - Class S
<b>Net investment income (loss)</b>					
Investment income:					
Dividends	\$ 7	\$ —	\$ —	\$ —	\$ —
Expenses:					
Mortality and expense risks and other charges	2	53	37	9	31
Total expenses	2	53	37	9	31
Net investment income (loss)	5	(53)	(37)	(9)	(31)
<b>Realized and unrealized gain (loss) on investments</b>					
Net realized gain (loss) on investments	125	65	50	10	129
Capital gains distributions	—	824	471	157	244
Total realized gain (loss) on investments and capital gains distributions	125	889	521	167	373
Net unrealized appreciation (depreciation) of investments	(83)	(839)	(510)	(174)	(381)
Net realized and unrealized gain (loss) on investments	42	50	11	(7)	(8)
Net increase (decrease) in net assets resulting from operations	\$ 47	\$ (3)	\$ (26)	\$ (16)	\$ (39)

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Operations  
For the Year Ended December 31, 2015**

*(Dollars in thousands)*

	<u>Wanger International</u>	<u>Wanger Select</u>	<u>Wanger USA</u>
<b>Net investment income (loss)</b>			
Investment income:			
Dividends	\$ 34	\$ —	\$ —
Expenses:			
Mortality and expense risks and other charges	19	15	8
Total expenses	<u>19</u>	<u>15</u>	<u>8</u>
Net investment income (loss)	<u>15</u>	<u>(15)</u>	<u>(8)</u>
<b>Realized and unrealized gain (loss) on investments</b>			
Net realized gain (loss) on investments	(74)	49	19
Capital gains distributions	209	770	156
Total realized gain (loss) on investments and capital gains distributions	135	819	175
Net unrealized appreciation (depreciation) of investments	<u>(158)</u>	<u>(795)</u>	<u>(188)</u>
Net realized and unrealized gain (loss) on investments	<u>(23)</u>	<u>24</u>	<u>(13)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ (8)</u>	<u>\$ 9</u>	<u>\$ (21)</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Invesco V.I. American Franchise Fund - Series I Shares</b>	<b>Invesco V.I. Core Equity Fund - Series I Shares</b>	<b>Growth Fund - Class 2</b>	<b>Growth- Income Fund - Class 2</b>
<b>Net assets at January 1, 2014</b>	\$ 791	\$ 1,831	\$ —	\$ 96
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(7)	(3)	—	2
Total realized gain (loss) on investments and capital gains distributions	65	186	—	13
Net unrealized appreciation (depreciation) of investments	5	(64)	1	(4)
Net increase (decrease) in net assets resulting from operations	63	119	1	11
Changes from principal transactions:				
Total unit transactions	52	(250)	89	21
Increase (decrease) in net assets derived from principal transactions	52	(250)	89	21
Total increase (decrease) in net assets	115	(131)	90	32
<b>Net assets at December 31, 2014</b>	906	1,700	90	128
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(7)	3	1	2
Total realized gain (loss) on investments and capital gains distributions	67	284	25	19
Net unrealized appreciation (depreciation) of investments	(24)	(390)	(19)	(19)
Net increase (decrease) in net assets resulting from operations	36	(103)	7	2
Changes from principal transactions:				
Total unit transactions	(14)	(227)	37	(12)
Increase (decrease) in net assets derived from principal transactions	(14)	(227)	37	(12)
Total increase (decrease) in net assets	22	(330)	44	(10)
<b>Net assets at December 31, 2015</b>	\$ 928	\$ 1,370	\$ 134	\$ 118

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<u>International Fund - Class 2</u>	<u>Calvert VP SRI Balanced Portfolio</u>	<u>Federated Fund for U.S. Government Securities II - Primary Shares</u>	<u>Federated High Income Bond Fund II - Primary Shares</u>
<b>Net assets at January 1, 2014</b>	\$ 22	\$ 936	\$ 779	\$ 3,906
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	9	11	176
Total realized gain (loss) on investments and capital gains distributions	—	167	(2)	(14)
Net unrealized appreciation (depreciation) of investments	(1)	(106)	13	(110)
Net increase (decrease) in net assets resulting from operations	(1)	70	22	52
Changes from principal transactions:				
Total unit transactions	10	226	(100)	(326)
Increase (decrease) in net assets derived from principal transactions	10	226	(100)	(326)
Total increase (decrease) in net assets	9	296	(78)	(274)
<b>Net assets at December 31, 2014</b>	31	1,232	701	3,632
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	1	(9)	9	152
Total realized gain (loss) on investments and capital gains distributions	2	50	(3)	(69)
Net unrealized appreciation (depreciation) of investments	(5)	(74)	(11)	(210)
Net increase (decrease) in net assets resulting from operations	(2)	(33)	(5)	(127)
Changes from principal transactions:				
Total unit transactions	11	(216)	(107)	(474)
Increase (decrease) in net assets derived from principal transactions	11	(216)	(107)	(474)
Total increase (decrease) in net assets	9	(249)	(112)	(601)
<b>Net assets at December 31, 2015</b>	\$ 40	\$ 983	\$ 589	\$ 3,031

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Federated Kaufmann Fund II - Primary Shares</b>	<b>Federated Managed Tail Risk Fund II - Primary Shares</b>	<b>Federated Managed Volatility Fund II</b>	<b>Federated Prime Money Fund II - Primary Shares</b>
<b>Net assets at January 1, 2014</b>	\$ 1,940	\$ 4,813	\$ 2,920	\$ 1,080
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(24)	17	52	(15)
Total realized gain (loss) on investments and capital gains distributions	311	876	300	—
Net unrealized appreciation (depreciation) of investments	(144)	(984)	(281)	—
Net increase (decrease) in net assets resulting from operations	143	(91)	71	(15)
Changes from principal transactions:				
Total unit transactions	(349)	(971)	(384)	(67)
Increase (decrease) in net assets derived from principal transactions	(349)	(971)	(384)	(67)
Total increase (decrease) in net assets	(206)	(1,062)	(313)	(82)
<b>Net assets at December 31, 2014</b>	1,734	3,751	2,607	998
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(21)	13	72	(14)
Total realized gain (loss) on investments and capital gains distributions	435	(63)	85	—
Net unrealized appreciation (depreciation) of investments	(320)	(178)	(369)	—
Net increase (decrease) in net assets resulting from operations	94	(228)	(212)	(14)
Changes from principal transactions:				
Total unit transactions	(568)	(801)	(329)	(111)
Increase (decrease) in net assets derived from principal transactions	(568)	(801)	(329)	(111)
Total increase (decrease) in net assets	(474)	(1,029)	(541)	(125)
<b>Net assets at December 31, 2015</b>	<u>\$ 1,260</u>	<u>\$ 2,722</u>	<u>\$ 2,066</u>	<u>\$ 873</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Fidelity® VIP Equity-Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Growth Portfolio - Initial Class</b>	<b>Fidelity® VIP High Income Portfolio - Initial Class</b>	<b>Fidelity® VIP Overseas Portfolio - Initial Class</b>
<b>Net assets at January 1, 2014</b>	\$ 58,115	\$ 11,910	\$ 213	\$ 4,196
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	832	(96)	9	10
Total realized gain (loss) on investments and capital gains distributions	8	523	8	210
Net unrealized appreciation (depreciation) of investments	3,151	788	(16)	(588)
Net increase (decrease) in net assets resulting from operations	3,991	1,215	1	(368)
Changes from principal transactions:				
Total unit transactions	(8,296)	411	(26)	(438)
Increase (decrease) in net assets derived from principal transactions	(8,296)	411	(26)	(438)
Total increase (decrease) in net assets	(4,305)	1,626	(25)	(806)
<b>Net assets at December 31, 2014</b>	53,810	13,536	188	3,390
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(22)	(91)	10	9
Total realized gain (loss) on investments and capital gains distributions	6,666	1,344	2	253
Net unrealized appreciation (depreciation) of investments	(7,206)	(447)	(19)	(173)
Net increase (decrease) in net assets resulting from operations	(562)	806	(7)	89
Changes from principal transactions:				
Total unit transactions	(41,978)	(1,739)	(18)	(387)
Increase (decrease) in net assets derived from principal transactions	(41,978)	(1,739)	(18)	(387)
Total increase (decrease) in net assets	(42,540)	(933)	(25)	(298)
<b>Net assets at December 31, 2015</b>	\$ 11,270	\$ 12,603	\$ 163	\$ 3,092

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Fidelity® VIP Contrafund® Portfolio - Initial Class</b>	<b>Fidelity® VIP Index 500 Portfolio - Initial Class</b>	<b>Fidelity® VIP Investment Grade Bond Portfolio - Initial Class</b>	<b>Franklin Small Cap Value VIP Fund - Class 2</b>
<b>Net assets at January 1, 2014</b>	\$ 44,181	\$ 22,227	\$ 582	\$ 3,461
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	20	42	4	(9)
Total realized gain (loss) on investments and capital gains distributions	3,882	1,277	(1)	498
Net unrealized appreciation (depreciation) of investments	452	957	21	(517)
Net increase (decrease) in net assets resulting from operations	4,354	2,276	24	(28)
Changes from principal transactions:				
Total unit transactions	(6,241)	(3,472)	(70)	(434)
Increase (decrease) in net assets derived from principal transactions	(6,241)	(3,472)	(70)	(434)
Total increase (decrease) in net assets	(1,887)	(1,196)	(46)	(462)
<b>Net assets at December 31, 2014</b>	42,294	21,031	536	2,999
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	62	116	6	(6)
Total realized gain (loss) on investments and capital gains distributions	7,593	826	1	564
Net unrealized appreciation (depreciation) of investments	(7,731)	(941)	(17)	(766)
Net increase (decrease) in net assets resulting from operations	(76)	1	(10)	(208)
Changes from principal transactions:				
Total unit transactions	(4,048)	(1,524)	(35)	(497)
Increase (decrease) in net assets derived from principal transactions	(4,048)	(1,524)	(35)	(497)
Total increase (decrease) in net assets	(4,124)	(1,523)	(45)	(705)
<b>Net assets at December 31, 2015</b>	\$ 38,170	\$ 19,508	\$ 491	\$ 2,294

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Janus Aspen Series Balanced Portfolio - Institutional Shares</b>	<b>Janus Aspen Series Enterprise Portfolio - Institutional Shares</b>	<b>Lord Abbett Series Fund - Mid Cap Stock Portfolio - Class VC</b>	<b>Oppenheimer Discovery Mid Cap Growth Fund/VA</b>
<b>Net assets at January 1, 2014</b>	\$ 8	\$ —	\$ 2,031	\$ 426
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	—	(11)	(3)
Total realized gain (loss) on investments and capital gains distributions	—	—	172	18
Net unrealized appreciation (depreciation) of investments	—	—	43	(12)
Net increase (decrease) in net assets resulting from operations	—	—	204	3
Changes from principal transactions:				
Total unit transactions	—	—	(197)	(236)
Increase (decrease) in net assets derived from principal transactions	—	—	(197)	(236)
Total increase (decrease) in net assets	—	—	7	(233)
<b>Net assets at December 31, 2014</b>	<b>8</b>	<b>—</b>	<b>2,038</b>	<b>193</b>
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	—	(9)	(1)
Total realized gain (loss) on investments and capital gains distributions	—	—	356	17
Net unrealized appreciation (depreciation) of investments	—	—	(435)	(10)
Net increase (decrease) in net assets resulting from operations	—	—	(88)	6
Changes from principal transactions:				
Total unit transactions	—	—	(204)	(85)
Increase (decrease) in net assets derived from principal transactions	—	—	(204)	(85)
Total increase (decrease) in net assets	—	—	(292)	(79)
<b>Net assets at December 31, 2015</b>	<b>\$ 8</b>	<b>\$ —</b>	<b>\$ 1,746</b>	<b>\$ 114</b>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Oppenheimer Global Fund/VA</b>	<b>Oppenheimer Main Street Fund®/VA</b>	<b>Oppenheimer Main Street Small Cap Fund®/VA</b>	<b>PIMCO Real Return Portfolio - Administrative Class</b>
<b>Net assets at January 1, 2014</b>	\$ 23	\$ 337	\$ 1,033	\$ 3,588
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	(1)	—	18
Total realized gain (loss) on investments and capital gains distributions	1	15	215	(101)
Net unrealized appreciation (depreciation) of investments	(1)	17	(103)	168
Net increase (decrease) in net assets resulting from operations	—	31	112	85
Changes from principal transactions:				
Total unit transactions	—	(30)	106	(671)
Increase (decrease) in net assets derived from principal transactions	—	(30)	106	(671)
Total increase (decrease) in net assets	—	1	218	(586)
<b>Net assets at December 31, 2014</b>	<b>23</b>	<b>338</b>	<b>1,251</b>	<b>3,002</b>
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	(1)	(1)	83
Total realized gain (loss) on investments and capital gains distributions	8	59	269	(80)
Net unrealized appreciation (depreciation) of investments	(7)	(51)	(372)	(95)
Net increase (decrease) in net assets resulting from operations	1	7	(104)	(92)
Changes from principal transactions:				
Total unit transactions	(19)	(31)	205	(428)
Increase (decrease) in net assets derived from principal transactions	(19)	(31)	205	(428)
Total increase (decrease) in net assets	(18)	(24)	101	(520)
<b>Net assets at December 31, 2015</b>	<b>\$ 5</b>	<b>\$ 314</b>	<b>\$ 1,352</b>	<b>\$ 2,482</b>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Pioneer Emerging Markets VCT Portfolio - Class I</b>	<b>Pioneer High Yield VCT Portfolio - Class I</b>	<b>Voya Balanced Portfolio - Class I</b>	<b>Voya Intermediate Bond Portfolio - Class I</b>
<b>Net assets at January 1, 2014</b>	\$ 1,028	\$ 634	\$ 74,157	\$ 105,513
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(1)	39	307	2,096
Total realized gain (loss) on investments and capital gains distributions	(17)	34	416	3,131
Net unrealized appreciation (depreciation) of investments	(82)	(96)	2,751	400
Net increase (decrease) in net assets resulting from operations	(100)	(23)	3,474	5,627
Changes from principal transactions:				
Total unit transactions	(270)	543	(8,764)	(7,791)
Increase (decrease) in net assets derived from principal transactions	(270)	543	(8,764)	(7,791)
Total increase (decrease) in net assets	(370)	520	(5,290)	(2,164)
<b>Net assets at December 31, 2014</b>	658	1,154	68,867	103,349
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	25	33	487	2,287
Total realized gain (loss) on investments and capital gains distributions	34	(42)	436	1,364
Net unrealized appreciation (depreciation) of investments	(175)	(13)	(2,755)	(4,181)
Net increase (decrease) in net assets resulting from operations	(116)	(22)	(1,832)	(530)
Changes from principal transactions:				
Total unit transactions	53	(548)	(8,117)	(4,433)
Increase (decrease) in net assets derived from principal transactions	53	(548)	(8,117)	(4,433)
Total increase (decrease) in net assets	(63)	(570)	(9,949)	(4,963)
<b>Net assets at December 31, 2015</b>	\$ 595	\$ 584	\$ 58,918	\$ 98,386

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Global Perspectives Portfolio - Class A</b>	<b>Voya Global Perspectives Portfolio - Class I</b>	<b>Voya Global Resources Portfolio - Service Class</b>	<b>Voya High Yield Portfolio - Service Class</b>
<b>Net assets at January 1, 2014</b>	\$ —	\$ —	\$ 4,377	\$ 4,441
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(2)	—	1	233
Total realized gain (loss) on investments and capital gains distributions	4	—	87	72
Net unrealized appreciation (depreciation) of investments	5	—	(724)	(295)
Net increase (decrease) in net assets resulting from operations	7	—	(636)	10
Changes from principal transactions:				
Total unit transactions	175	53	(173)	(35)
Increase (decrease) in net assets derived from principal transactions	175	53	(173)	(35)
Total increase (decrease) in net assets	182	53	(809)	(25)
<b>Net assets at December 31, 2014</b>	182	53	3,568	4,416
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	2	1	48	172
Total realized gain (loss) on investments and capital gains distributions	7	3	(750)	(19)
Net unrealized appreciation (depreciation) of investments	(16)	(4)	610	(238)
Net increase (decrease) in net assets resulting from operations	(7)	—	(92)	(85)
Changes from principal transactions:				
Total unit transactions	(32)	(11)	(3,476)	(911)
Increase (decrease) in net assets derived from principal transactions	(32)	(11)	(3,476)	(911)
Total increase (decrease) in net assets	(39)	(11)	(3,568)	(996)
<b>Net assets at December 31, 2015</b>	\$ 143	\$ 42	\$ —	\$ 3,420

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Large Cap Growth Portfolio - Institutional Class</b>	<b>Voya Large Cap Value Portfolio - Institutional Class</b>	<b>Voya Large Cap Value Portfolio - Service Class</b>	<b>Voya Multi- Manager Large Cap Core Portfolio - Institutional Class</b>
<b>Net assets at January 1, 2014</b>	\$ 115,292	\$ 7,884	\$ 1,976	\$ 9,272
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(992)	123	8	—
Total realized gain (loss) on investments and capital gains distributions	14,457	596	284	1,346
Net unrealized appreciation (depreciation) of investments	743	(4)	(160)	(204)
Net increase (decrease) in net assets resulting from operations	14,208	715	132	1,142
Changes from principal transactions:				
Total unit transactions	7,777	2,089	(707)	(1,323)
Increase (decrease) in net assets derived from principal transactions	7,777	2,089	(707)	(1,323)
Total increase (decrease) in net assets	21,985	2,804	(575)	(181)
<b>Net assets at December 31, 2014</b>	137,277	10,688	1,401	9,091
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(922)	84	21	(22)
Total realized gain (loss) on investments and capital gains distributions	17,614	1,396	115	1,004
Net unrealized appreciation (depreciation) of investments	(9,961)	(1,982)	(285)	(1,121)
Net increase (decrease) in net assets resulting from operations	6,731	(502)	(149)	(139)
Changes from principal transactions:				
Total unit transactions	(16,990)	(2,001)	1,365	(1,190)
Increase (decrease) in net assets derived from principal transactions	(16,990)	(2,001)	1,365	(1,190)
Total increase (decrease) in net assets	(10,259)	(2,503)	1,216	(1,329)
<b>Net assets at December 31, 2015</b>	\$ 127,018	\$ 8,185	\$ 2,617	\$ 7,762

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Retirement Conservative Portfolio - Adviser Class</b>	<b>Voya Retirement Growth Portfolio - Adviser Class</b>	<b>Voya Retirement Moderate Growth Portfolio - Adviser Class</b>	<b>Voya Retirement Moderate Portfolio - Adviser Class</b>
<b>Net assets at January 1, 2014</b>	\$ 3,496	\$ 5,195	\$ 4,340	\$ 5,774
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	56	14	15	97
Total realized gain (loss) on investments and capital gains distributions	124	356	339	279
Net unrealized appreciation (depreciation) of investments	(28)	(177)	(189)	(154)
Net increase (decrease) in net assets resulting from operations	152	193	165	222
Changes from principal transactions:				
Total unit transactions	(655)	(897)	(826)	(745)
Increase (decrease) in net assets derived from principal transactions	(655)	(897)	(826)	(745)
Total increase (decrease) in net assets	(503)	(704)	(661)	(523)
<b>Net assets at December 31, 2014</b>	2,993	4,491	3,679	5,251
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	10	18	11	(15)
Total realized gain (loss) on investments and capital gains distributions	43	168	282	514
Net unrealized appreciation (depreciation) of investments	(108)	(335)	(384)	(620)
Net increase (decrease) in net assets resulting from operations	(55)	(149)	(91)	(121)
Changes from principal transactions:				
Total unit transactions	(396)	(260)	(331)	(767)
Increase (decrease) in net assets derived from principal transactions	(396)	(260)	(331)	(767)
Total increase (decrease) in net assets	(451)	(409)	(422)	(888)
<b>Net assets at December 31, 2015</b>	\$ 2,542	\$ 4,082	\$ 3,257	\$ 4,363

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the Years Ended December 31, 2015 and 2014**  
*(Dollars in thousands)*

	Voya U.S. Stock Index Portfolio - Service Class	VY® BlackRock Inflation Protected Bond Portfolio - Institutional Class	VY® BlackRock Inflation Protected Bond Portfolio - Service Class	VY® Clarion Global Real Estate Portfolio - Institutional Class
<b>Net assets at January 1, 2014</b>	\$ 82	\$ 325	\$ 2,803	\$ 1,815
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	2	1	12
Total realized gain (loss) on investments and capital gains distributions	14	(2)	(158)	113
Net unrealized appreciation (depreciation) of investments	(4)	7	198	128
Net increase (decrease) in net assets resulting from operations	10	7	41	253
Changes from principal transactions:				
Total unit transactions	(5)	(7)	(649)	143
Increase (decrease) in net assets derived from principal transactions	(5)	(7)	(649)	143
Total increase (decrease) in net assets	5	—	(608)	396
<b>Net assets at December 31, 2014</b>	87	325	2,195	2,211
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	2	—	47
Total realized gain (loss) on investments and capital gains distributions	9	(1)	(135)	54
Net unrealized appreciation (depreciation) of investments	(9)	(11)	51	(145)
Net increase (decrease) in net assets resulting from operations	—	(10)	(84)	(44)
Changes from principal transactions:				
Total unit transactions	(1)	—	(237)	(241)
Increase (decrease) in net assets derived from principal transactions	(1)	—	(237)	(241)
Total increase (decrease) in net assets	(1)	(10)	(321)	(285)
<b>Net assets at December 31, 2015</b>	\$ 86	\$ 315	\$ 1,874	\$ 1,926

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>VY® Clarion Global Real Estate Portfolio - Service Class</b>	<b>VY® Clarion Real Estate Portfolio - Service Class</b>	<b>VY® FMR Diversified Mid Cap Portfolio - Institutional Class</b>	<b>VY® FMR Diversified Mid Cap Portfolio - Service Class</b>
<b>Net assets at January 1, 2014</b>	\$ 1,129	\$ 2,704	\$ 15,358	\$ 2,426
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(1)	21	(119)	(13)
Total realized gain (loss) on investments and capital gains distributions	94	368	3,000	544
Net unrealized appreciation (depreciation) of investments	34	440	(2,242)	(437)
Net increase (decrease) in net assets resulting from operations	127	829	639	94
Changes from principal transactions:				
Total unit transactions	(268)	1,031	(2,617)	(552)
Increase (decrease) in net assets derived from principal transactions	(268)	1,031	(2,617)	(552)
Total increase (decrease) in net assets	(141)	1,860	(1,978)	(458)
<b>Net assets at December 31, 2014</b>	988	4,564	13,380	1,968
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	16	26	(109)	(11)
Total realized gain (loss) on investments and capital gains distributions	76	372	2,785	372
Net unrealized appreciation (depreciation) of investments	(122)	(336)	(2,921)	(380)
Net increase (decrease) in net assets resulting from operations	(30)	62	(245)	(19)
Changes from principal transactions:				
Total unit transactions	(184)	(458)	(2,375)	(523)
Increase (decrease) in net assets derived from principal transactions	(184)	(458)	(2,375)	(523)
Total increase (decrease) in net assets	(214)	(396)	(2,620)	(542)
<b>Net assets at December 31, 2015</b>	\$ 774	\$ 4,168	\$ 10,760	\$ 1,426

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>VY® Franklin Income Portfolio - Service Class</b>	<b>VY® Franklin Mutual Shares Portfolio - Service Class</b>	<b>VY® Franklin Templeton Founding Strategy Portfolio - Service Class</b>	<b>VY® Invesco Growth and Income Portfolio - Service Class</b>
<b>Net assets at January 1, 2014</b>	\$ 6,040	\$ 1,645	\$ 118	\$ 1,080
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	153	(2)	2	2
Total realized gain (loss) on investments and capital gains distributions	255	106	16	181
Net unrealized appreciation (depreciation) of investments	(197)	5	(16)	(90)
Net increase (decrease) in net assets resulting from operations	211	109	2	93
Changes from principal transactions:				
Total unit transactions	(60)	182	92	(132)
Increase (decrease) in net assets derived from principal transactions	(60)	182	92	(132)
Total increase (decrease) in net assets	151	291	94	(39)
<b>Net assets at December 31, 2014</b>	6,191	1,936	212	1,041
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	194	121	11	23
Total realized gain (loss) on investments and capital gains distributions	117	437	(15)	212
Net unrealized appreciation (depreciation) of investments	(738)	(528)	4	(275)
Net increase (decrease) in net assets resulting from operations	(427)	30	—	(40)
Changes from principal transactions:				
Total unit transactions	(714)	(1,966)	(212)	(23)
Increase (decrease) in net assets derived from principal transactions	(714)	(1,966)	(212)	(23)
Total increase (decrease) in net assets	(1,141)	(1,936)	(212)	(63)
<b>Net assets at December 31, 2015</b>	\$ 5,050	\$ —	\$ —	\$ 978

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class</b>	<b>VY® JPMorgan Emerging Markets Equity Portfolio - Service Class</b>	<b>VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class</b>	<b>VY® JPMorgan Small Cap Core Equity Portfolio - Service Class</b>
<b>Net assets at January 1, 2014</b>	\$ 4,523	\$ 6,281	\$ 3,107	\$ 749
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	12	8	(20)	(4)
Total realized gain (loss) on investments and capital gains distributions	(214)	338	513	119
Net unrealized appreciation (depreciation) of investments	150	(367)	(278)	(44)
Net increase (decrease) in net assets resulting from operations	(52)	(21)	215	71
Changes from principal transactions:				
Total unit transactions	(2,109)	1,485	(128)	271
Increase (decrease) in net assets derived from principal transactions	(2,109)	1,485	(128)	271
Total increase (decrease) in net assets	(2,161)	1,464	87	342
<b>Net assets at December 31, 2014</b>	2,362	7,745	3,194	1,091
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	1	28	(24)	(6)
Total realized gain (loss) on investments and capital gains distributions	55	(19)	606	192
Net unrealized appreciation (depreciation) of investments	(386)	(1,247)	(715)	(227)
Net increase (decrease) in net assets resulting from operations	(330)	(1,238)	(133)	(41)
Changes from principal transactions:				
Total unit transactions	(439)	(317)	(350)	(52)
Increase (decrease) in net assets derived from principal transactions	(439)	(317)	(350)	(52)
Total increase (decrease) in net assets	(769)	(1,555)	(483)	(93)
<b>Net assets at December 31, 2015</b>	\$ 1,593	\$ 6,190	\$ 2,711	\$ 998

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	VY® T. Rowe Price Capital Appreciation Portfolio - Service Class	VY® T. Rowe Price Equity Income Portfolio - Service Class	VY® T. Rowe Price International Stock Portfolio - Service Class	VY® Templeton Global Growth Portfolio - Service Class
<b>Net assets at January 1, 2014</b>	\$ 22,726	\$ 6,855	\$ 3,113	\$ 562
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	129	49	(1)	—
Total realized gain (loss) on investments and capital gains distributions	3,111	971	53	66
Net unrealized appreciation (depreciation) of investments	(673)	(621)	(101)	(84)
Net increase (decrease) in net assets resulting from operations	2,567	399	(49)	(18)
Changes from principal transactions:				
Total unit transactions	1,141	(1,289)	(478)	(88)
Increase (decrease) in net assets derived from principal transactions	1,141	(1,289)	(478)	(88)
Total increase (decrease) in net assets	3,708	(890)	(527)	(106)
<b>Net assets at December 31, 2014</b>	26,434	5,965	2,586	456
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	126	59	(4)	7
Total realized gain (loss) on investments and capital gains distributions	4,516	829	182	29
Net unrealized appreciation (depreciation) of investments	(3,458)	(1,325)	(228)	(70)
Net increase (decrease) in net assets resulting from operations	1,184	(437)	(50)	(34)
Changes from principal transactions:				
Total unit transactions	1,556	(433)	(235)	(74)
Increase (decrease) in net assets derived from principal transactions	1,556	(433)	(235)	(74)
Total increase (decrease) in net assets	2,740	(870)	(285)	(108)
<b>Net assets at December 31, 2015</b>	\$ 29,174	\$ 5,095	\$ 2,301	\$ 348

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Money Market Portfolio - Class I</b>	<b>Voya Money Market Portfolio - Class S</b>	<b>Voya Aggregate Bond Portfolio - Service Class</b>	<b>Voya Global Bond Portfolio - Initial Class</b>
<b>Net assets at January 1, 2014</b>	\$ 52,709	\$ 77	\$ 9,329	\$ 26,454
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(613)	—	80	(100)
Total realized gain (loss) on investments and capital gains distributions	8	—	(25)	456
Net unrealized appreciation (depreciation) of investments	—	—	323	(460)
Net increase (decrease) in net assets resulting from operations	(605)	—	378	(104)
Changes from principal transactions:				
Total unit transactions	(4,732)	(32)	(830)	(3,843)
Increase (decrease) in net assets derived from principal transactions	(4,732)	(32)	(830)	(3,843)
Total increase (decrease) in net assets	(5,337)	(32)	(452)	(3,947)
<b>Net assets at December 31, 2014</b>	47,372	45	8,877	22,507
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(535)	—	392	(242)
Total realized gain (loss) on investments and capital gains distributions	5	—	(475)	(229)
Net unrealized appreciation (depreciation) of investments	—	—	59	(628)
Net increase (decrease) in net assets resulting from operations	(530)	—	(24)	(1,099)
Changes from principal transactions:				
Total unit transactions	(5,699)	(1)	(8,853)	(3,827)
Increase (decrease) in net assets derived from principal transactions	(5,699)	(1)	(8,853)	(3,827)
Total increase (decrease) in net assets	(6,229)	(1)	(8,877)	(4,926)
<b>Net assets at December 31, 2015</b>	\$ 41,143	\$ 44	\$ —	\$ 17,581

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Statements of Changes in Net Assets**  
**For the Years Ended December 31, 2015 and 2014**  
*(Dollars in thousands)*

	<b>Voya Global Bond Portfolio - Service Class</b>	<b>Voya Solution 2015 Portfolio - Service Class</b>	<b>Voya Solution 2025 Portfolio - Service Class</b>	<b>Voya Solution 2035 Portfolio - Service Class</b>
<b>Net assets at January 1, 2014</b>	\$ 95	\$ 2,821	\$ 3,450	\$ 6,162
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(1)	49	45	78
Total realized gain (loss) on investments and capital gains distributions	(2)	81	449	764
Net unrealized appreciation (depreciation) of investments	2	4	(318)	(527)
Net increase (decrease) in net assets resulting from operations	(1)	134	176	315
Changes from principal transactions:				
Total unit transactions	(15)	152	283	417
Increase (decrease) in net assets derived from principal transactions	(15)	152	283	417
Total increase (decrease) in net assets	(16)	286	459	732
<b>Net assets at December 31, 2014</b>	79	3,107	3,909	6,894
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(1)	95	96	159
Total realized gain (loss) on investments and capital gains distributions	(2)	146	527	1,127
Net unrealized appreciation (depreciation) of investments	(2)	(197)	(672)	(1,381)
Net increase (decrease) in net assets resulting from operations	(5)	44	(49)	(95)
Changes from principal transactions:				
Total unit transactions	(8)	(3,151)	(60)	236
Increase (decrease) in net assets derived from principal transactions	(8)	(3,151)	(60)	236
Total increase (decrease) in net assets	(13)	(3,107)	(109)	141
<b>Net assets at December 31, 2015</b>	\$ 66	\$ —	\$ 3,800	\$ 7,035

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Solution 2045 Portfolio - Service Class</b>	<b>Voya Solution Income Portfolio - Service Class</b>	<b>Voya Solution Moderately Aggressive Portfolio - Service Class</b>	<b>VY® American Century Small-Mid Cap Value Portfolio - Service Class</b>
<b>Net assets at January 1, 2014</b>	\$ 2,739	\$ 1,127	\$ —	\$ 2,769
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	30	19	—	17
Total realized gain (loss) on investments and capital gains distributions	366	24	—	515
Net unrealized appreciation (depreciation) of investments	(237)	14	—	(208)
Net increase (decrease) in net assets resulting from operations	159	57	—	324
Changes from principal transactions:				
Total unit transactions	376	(85)	—	97
Increase (decrease) in net assets derived from principal transactions	376	(85)	—	97
Total increase (decrease) in net assets	535	(28)	—	421
<b>Net assets at December 31, 2014</b>	3,274	1,099	—	3,190
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	88	15	(1)	29
Total realized gain (loss) on investments and capital gains distributions	563	74	—	652
Net unrealized appreciation (depreciation) of investments	(731)	(150)	(7)	(749)
Net increase (decrease) in net assets resulting from operations	(80)	(61)	(8)	(68)
Changes from principal transactions:				
Total unit transactions	882	2,120	197	(299)
Increase (decrease) in net assets derived from principal transactions	882	2,120	197	(299)
Total increase (decrease) in net assets	802	2,059	189	(367)
<b>Net assets at December 31, 2015</b>	\$ 4,076	\$ 3,158	\$ 189	\$ 2,823

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>VY® Baron Growth Portfolio - Service Class</b>	<b>VY® Columbia Contrarian Core Portfolio - Service Class</b>	<b>VY® Columbia Small Cap Value II Portfolio - Service Class</b>	<b>VY® Invesco Comstock Portfolio - Service Class</b>
<b>Net assets at January 1, 2014</b>	\$ 7,548	\$ 2,612	\$ 621	\$ 1,289
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(67)	(7)	(5)	17
Total realized gain (loss) on investments and capital gains distributions	1,246	593	62	186
Net unrealized appreciation (depreciation) of investments	(998)	(312)	(37)	(100)
Net increase (decrease) in net assets resulting from operations	181	274	20	103
Changes from principal transactions:				
Total unit transactions	(1,426)	(413)	42	67
Increase (decrease) in net assets derived from principal transactions	(1,426)	(413)	42	67
Total increase (decrease) in net assets	(1,245)	(139)	62	170
<b>Net assets at December 31, 2014</b>	6,303	2,473	683	1,459
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(42)	(4)	(5)	16
Total realized gain (loss) on investments and capital gains distributions	870	463	37	184
Net unrealized appreciation (depreciation) of investments	(1,155)	(422)	(58)	(274)
Net increase (decrease) in net assets resulting from operations	(327)	37	(26)	(74)
Changes from principal transactions:				
Total unit transactions	(1,127)	(213)	87	(298)
Increase (decrease) in net assets derived from principal transactions	(1,127)	(213)	87	(298)
Total increase (decrease) in net assets	(1,454)	(176)	61	(372)
<b>Net assets at December 31, 2015</b>	\$ 4,849	\$ 2,297	\$ 744	\$ 1,087

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>VY® Invesco Equity and Income Portfolio - Initial Class</b>	<b>VY® JPMorgan Mid Cap Value Portfolio - Service Class</b>	<b>VY® Oppenheimer Global Portfolio - Initial Class</b>	<b>VY® Pioneer High Yield Portfolio - Initial Class</b>
<b>Net assets at January 1, 2014</b>	\$ 52,976	\$ 3,218	\$ 83,809	\$ 17,988
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	441	2	(38)	640
Total realized gain (loss) on investments and capital gains distributions	4,734	408	5,888	875
Net unrealized appreciation (depreciation) of investments	(761)	67	(4,959)	(1,564)
Net increase (decrease) in net assets resulting from operations	4,414	477	891	(49)
Changes from principal transactions:				
Total unit transactions	23,475	182	(11,919)	(2,059)
Increase (decrease) in net assets derived from principal transactions	23,475	182	(11,919)	(2,059)
Total increase (decrease) in net assets	27,889	659	(11,028)	(2,108)
<b>Net assets at December 31, 2014</b>	80,865	3,877	72,781	15,880
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	728	(9)	178	591
Total realized gain (loss) on investments and capital gains distributions	7,790	850	8,168	141
Net unrealized appreciation (depreciation) of investments	(10,854)	(981)	(6,102)	(1,528)
Net increase (decrease) in net assets resulting from operations	(2,336)	(140)	2,244	(796)
Changes from principal transactions:				
Total unit transactions	(9,877)	(279)	(7,252)	(2,187)
Increase (decrease) in net assets derived from principal transactions	(9,877)	(279)	(7,252)	(2,187)
Total increase (decrease) in net assets	(12,213)	(419)	(5,008)	(2,983)
<b>Net assets at December 31, 2015</b>	\$ 68,652	\$ 3,458	\$ 67,773	\$ 12,897

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class	VY® T. Rowe Price Growth Equity Portfolio - Initial Class	VY® Templeton Foreign Equity Portfolio - Initial Class	Voya Strategic Allocation Conservative Portfolio - Class I
<b>Net assets at January 1, 2014</b>	\$ 48,397	\$ 37,679	\$ 17,537	\$ 7,505
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(423)	(453)	217	94
Total realized gain (loss) on investments and capital gains distributions	5,393	4,766	305	570
Net unrealized appreciation (depreciation) of investments	(346)	(1,763)	(1,741)	(298)
Net increase (decrease) in net assets resulting from operations	4,624	2,550	(1,219)	366
Changes from principal transactions:				
Total unit transactions	(6,499)	(3,179)	(1,480)	(1,289)
Increase (decrease) in net assets derived from principal transactions	(6,499)	(3,179)	(1,480)	(1,289)
Total increase (decrease) in net assets	(1,875)	(629)	(2,699)	(923)
<b>Net assets at December 31, 2014</b>	46,522	37,050	14,838	6,582
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(540)	(453)	400	130
Total realized gain (loss) on investments and capital gains distributions	8,427	7,519	844	322
Net unrealized appreciation (depreciation) of investments	(7,364)	(3,709)	(1,833)	(550)
Net increase (decrease) in net assets resulting from operations	523	3,357	(589)	(98)
Changes from principal transactions:				
Total unit transactions	(4,364)	(1,949)	(1,379)	(376)
Increase (decrease) in net assets derived from principal transactions	(4,364)	(1,949)	(1,379)	(376)
Total increase (decrease) in net assets	(3,841)	1,408	(1,968)	(474)
<b>Net assets at December 31, 2015</b>	\$ 42,681	\$ 38,458	\$ 12,870	\$ 6,108

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Strategic Allocation Growth Portfolio - Class I</b>	<b>Voya Strategic Allocation Moderate Portfolio - Class I</b>	<b>Voya Growth and Income Portfolio - Class A</b>	<b>Voya Growth and Income Portfolio - Class I</b>
<b>Net assets at January 1, 2014</b>	\$ 9,730	\$ 10,224	\$ 1,846	\$ 248,811
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	97	116	5	1,981
Total realized gain (loss) on investments and capital gains distributions	242	76	270	40,857
Net unrealized appreciation (depreciation) of investments	180	345	(121)	(20,731)
Net increase (decrease) in net assets resulting from operations	519	537	154	22,107
Changes from principal transactions:				
Total unit transactions	(875)	(1,145)	(186)	(26,308)
Increase (decrease) in net assets derived from principal transactions	(875)	(1,145)	(186)	(26,308)
Total increase (decrease) in net assets	(356)	(608)	(32)	(4,201)
<b>Net assets at December 31, 2014</b>	9,374	9,616	1,814	244,610
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	147	151	4	1,875
Total realized gain (loss) on investments and capital gains distributions	323	704	159	21,755
Net unrealized appreciation (depreciation) of investments	(679)	(979)	(208)	(29,189)
Net increase (decrease) in net assets resulting from operations	(209)	(124)	(45)	(5,559)
Changes from principal transactions:				
Total unit transactions	(325)	(1,530)	(252)	(23,527)
Increase (decrease) in net assets derived from principal transactions	(325)	(1,530)	(252)	(23,527)
Total increase (decrease) in net assets	(534)	(1,654)	(297)	(29,086)
<b>Net assets at December 31, 2015</b>	\$ 8,840	\$ 7,962	\$ 1,517	\$ 215,524

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	Voya Emerging Markets Index Portfolio - Class I	Voya Euro STOXX 50® Index Portfolio - Class I	Voya Global Value Advantage Portfolio - Class I	Voya Global Value Advantage Portfolio - Class S
<b>Net assets at January 1, 2014</b>	\$ —	\$ 46	\$ —	\$ —
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	2	—	—
Total realized gain (loss) on investments and capital gains distributions	—	1	—	—
Net unrealized appreciation (depreciation) of investments	—	(6)	—	—
Net increase (decrease) in net assets resulting from operations	—	(3)	—	—
Changes from principal transactions:				
Total unit transactions	2	3	—	—
Increase (decrease) in net assets derived from principal transactions	2	3	—	—
Total increase (decrease) in net assets	2	—	—	—
<b>Net assets at December 31, 2014</b>	2	46	—	—
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	2	1	(2)	(6)
Total realized gain (loss) on investments and capital gains distributions	(8)	1	(13)	(1)
Net unrealized appreciation (depreciation) of investments	(7)	(4)	(170)	(71)
Net increase (decrease) in net assets resulting from operations	(13)	(2)	(185)	(78)
Changes from principal transactions:				
Total unit transactions	42	—	2,883	1,168
Increase (decrease) in net assets derived from principal transactions	42	—	2,883	1,168
Total increase (decrease) in net assets	29	(2)	2,698	1,090
<b>Net assets at December 31, 2015</b>	\$ 31	\$ 44	\$ 2,698	\$ 1,090

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Index Plus LargeCap Portfolio - Class I</b>	<b>Voya Index Plus MidCap Portfolio - Class I</b>	<b>Voya Index Plus SmallCap Portfolio - Class I</b>	<b>Voya International Index Portfolio - Class I</b>
<b>Net assets at January 1, 2014</b>	\$ 71,271	\$ 8,351	\$ 4,581	\$ 8,699
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	223	—	(11)	(40)
Total realized gain (loss) on investments and capital gains distributions	4,232	1,041	431	702
Net unrealized appreciation (depreciation) of investments	3,564	(371)	(235)	(1,526)
Net increase (decrease) in net assets resulting from operations	8,019	670	185	(864)
Changes from principal transactions:				
Total unit transactions	(10,318)	(1,115)	(573)	6,174
Increase (decrease) in net assets derived from principal transactions	(10,318)	(1,115)	(573)	6,174
Total increase (decrease) in net assets	(2,299)	(445)	(388)	5,310
<b>Net assets at December 31, 2014</b>	68,972	7,906	4,193	14,009
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	289	10	—	261
Total realized gain (loss) on investments and capital gains distributions	3,304	1,595	447	440
Net unrealized appreciation (depreciation) of investments	(3,767)	(1,798)	(597)	(940)
Net increase (decrease) in net assets resulting from operations	(174)	(193)	(150)	(239)
Changes from principal transactions:				
Total unit transactions	(7,135)	(811)	(430)	(1,181)
Increase (decrease) in net assets derived from principal transactions	(7,135)	(811)	(430)	(1,181)
Total increase (decrease) in net assets	(7,309)	(1,004)	(580)	(1,420)
<b>Net assets at December 31, 2015</b>	\$ 61,663	\$ 6,902	\$ 3,613	\$ 12,589

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	Voya International Index Portfolio - Class S	Voya Russell™ Large Cap Growth Index Portfolio - Class I	Voya Russell™ Large Cap Index Portfolio - Class I	Voya Russell™ Large Cap Value Index Portfolio - Class I
<b>Net assets at January 1, 2014</b>	\$ 134	\$ 28,735	\$ 17,423	\$ 7,738
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(1)	12	60	33
Total realized gain (loss) on investments and capital gains distributions	4	2,726	1,637	930
Net unrealized appreciation (depreciation) of investments	(11)	317	197	(180)
Net increase (decrease) in net assets resulting from operations	(8)	3,055	1,894	783
Changes from principal transactions:				
Total unit transactions	(15)	(3,723)	(1,326)	(1,363)
Increase (decrease) in net assets derived from principal transactions	(15)	(3,723)	(1,326)	(1,363)
Total increase (decrease) in net assets	(23)	(668)	568	(580)
<b>Net assets at December 31, 2014</b>	111	28,067	17,991	7,158
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	2	(19)	77	(127)
Total realized gain (loss) on investments and capital gains distributions	5	2,378	1,438	1,244
Net unrealized appreciation (depreciation) of investments	(7)	(664)	(1,392)	(2,617)
Net increase (decrease) in net assets resulting from operations	—	1,695	123	(1,500)
Changes from principal transactions:				
Total unit transactions	(102)	(2,828)	(1,577)	33,649
Increase (decrease) in net assets derived from principal transactions	(102)	(2,828)	(1,577)	33,649
Total increase (decrease) in net assets	(102)	(1,133)	(1,454)	32,149
<b>Net assets at December 31, 2015</b>	\$ 9	\$ 26,934	\$ 16,537	\$ 39,307

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Russell™ Large Cap Value Index Portfolio - Class S</b>	<b>Voya Russell™ Mid Cap Growth Index Portfolio - Class S</b>	<b>Voya Russell™ Mid Cap Index Portfolio - Class I</b>	<b>Voya Russell™ Small Cap Index Portfolio - Class I</b>
<b>Net assets at January 1, 2014</b>	\$ 1,517	\$ 1,080	\$ 789	\$ 1,082
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	—	(9)	—	2
Total realized gain (loss) on investments and capital gains distributions	197	12	87	101
Net unrealized appreciation (depreciation) of investments	(26)	120	36	(43)
Net increase (decrease) in net assets resulting from operations	171	123	123	60
Changes from principal transactions:				
Total unit transactions	129	392	670	305
Increase (decrease) in net assets derived from principal transactions	129	392	670	305
Total increase (decrease) in net assets	300	515	793	365
<b>Net assets at December 31, 2014</b>	1,817	1,595	1,582	1,447
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	1	(4)	8	6
Total realized gain (loss) on investments and capital gains distributions	326	195	252	211
Net unrealized appreciation (depreciation) of investments	(401)	(206)	(300)	(290)
Net increase (decrease) in net assets resulting from operations	(74)	(15)	(40)	(73)
Changes from principal transactions:				
Total unit transactions	(435)	(490)	(91)	11
Increase (decrease) in net assets derived from principal transactions	(435)	(490)	(91)	11
Total increase (decrease) in net assets	(509)	(505)	(131)	(62)
<b>Net assets at December 31, 2015</b>	\$ 1,308	\$ 1,090	\$ 1,451	\$ 1,385

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya Small Company Portfolio - Class I</b>	<b>Voya U.S. Bond Index Portfolio - Class I</b>	<b>Voya International Value Portfolio - Class I</b>	<b>Voya MidCap Opportunities Portfolio - Class I</b>
<b>Net assets at January 1, 2014</b>	\$ 30,613	\$ 1,240	\$ 1,520	\$ 6,779
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(224)	14	33	(35)
Total realized gain (loss) on investments and capital gains distributions	4,182	(16)	88	1,120
Net unrealized appreciation (depreciation) of investments	(2,642)	63	(209)	(646)
Net increase (decrease) in net assets resulting from operations	1,316	61	(88)	439
Changes from principal transactions:				
Total unit transactions	(4,642)	124	48	(1,250)
Increase (decrease) in net assets derived from principal transactions	(4,642)	124	48	(1,250)
Total increase (decrease) in net assets	(3,326)	185	(40)	(811)
<b>Net assets at December 31, 2014</b>	27,287	1,425	1,480	5,968
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(172)	20	5	(53)
Total realized gain (loss) on investments and capital gains distributions	4,867	(13)	125	889
Net unrealized appreciation (depreciation) of investments	(5,101)	(16)	(83)	(839)
Net increase (decrease) in net assets resulting from operations	(406)	(9)	47	(3)
Changes from principal transactions:				
Total unit transactions	(3,498)	(167)	(1,527)	(514)
Increase (decrease) in net assets derived from principal transactions	(3,498)	(167)	(1,527)	(514)
Total increase (decrease) in net assets	(3,904)	(176)	(1,480)	(517)
<b>Net assets at December 31, 2015</b>	\$ 23,383	\$ 1,249	\$ —	\$ 5,451

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<b>Voya MidCap Opportunities Portfolio - Class S</b>	<b>Voya SmallCap Opportunities Portfolio - Class I</b>	<b>Voya SmallCap Opportunities Portfolio - Class S</b>	<b>Wanger International</b>
<b>Net assets at January 1, 2014</b>	\$ 3,805	\$ 1,196	\$ 2,973	\$ 2,587
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(27)	(9)	(32)	17
Total realized gain (loss) on investments and capital gains distributions	932	332	540	224
Net unrealized appreciation (depreciation) of investments	(696)	(242)	(411)	(375)
Net increase (decrease) in net assets resulting from operations	209	81	97	(134)
Changes from principal transactions:				
Total unit transactions	(906)	(102)	(511)	(32)
Increase (decrease) in net assets derived from principal transactions	(906)	(102)	(511)	(32)
Total increase (decrease) in net assets	(697)	(21)	(414)	(166)
<b>Net assets at December 31, 2014</b>	3,108	1,175	2,559	2,421
<b>Increase (decrease) in net assets</b>				
Operations:				
Net investment income (loss)	(37)	(9)	(31)	15
Total realized gain (loss) on investments and capital gains distributions	521	167	373	135
Net unrealized appreciation (depreciation) of investments	(510)	(174)	(381)	(158)
Net increase (decrease) in net assets resulting from operations	(26)	(16)	(39)	(8)
Changes from principal transactions:				
Total unit transactions	(68)	488	(413)	(258)
Increase (decrease) in net assets derived from principal transactions	(68)	488	(413)	(258)
Total increase (decrease) in net assets	(94)	472	(452)	(266)
<b>Net assets at December 31, 2015</b>	<u>\$ 3,014</u>	<u>\$ 1,647</u>	<u>\$ 2,107</u>	<u>\$ 2,155</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Statements of Changes in Net Assets  
For the Years Ended December 31, 2015 and 2014**

*(Dollars in thousands)*

	<u>Wanger Select</u>	<u>Wanger USA</u>
<b>Net assets at January 1, 2014</b>	\$ 2,884	\$ 1,247
<b>Increase (decrease) in net assets</b>		
Operations:		
Net investment income (loss)	(18)	(9)
Total realized gain (loss) on investments and capital gains distributions	482	221
Net unrealized appreciation (depreciation) of investments	(392)	(185)
Net increase (decrease) in net assets resulting from operations	72	27
Changes from principal transactions:		
Total unit transactions	(186)	(261)
Increase (decrease) in net assets derived from principal transactions	(186)	(261)
Total increase (decrease) in net assets	(114)	(234)
<b>Net assets at December 31, 2014</b>	2,770	1,013
<b>Increase (decrease) in net assets</b>		
Operations:		
Net investment income (loss)	(15)	(8)
Total realized gain (loss) on investments and capital gains distributions	819	175
Net unrealized appreciation (depreciation) of investments	(795)	(188)
Net increase (decrease) in net assets resulting from operations	9	(21)
Changes from principal transactions:		
Total unit transactions	(560)	23
Increase (decrease) in net assets derived from principal transactions	(560)	23
Total increase (decrease) in net assets	(551)	2
<b>Net assets at December 31, 2015</b>	<u>\$ 2,219</u>	<u>\$ 1,015</u>

*The accompanying notes are an integral part of these financial statements.*

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

**1. Organization**

Variable Annuity Account B of Voya Retirement Insurance and Annuity Company, (the “Account”) was established by Voya Retirement Insurance and Annuity Company (“VRIAC” or the “Company”) to support the operations of variable annuity contracts (“Contracts”). The Company is an indirect, wholly owned subsidiary of Voya Financial, Inc. (“Voya Financial”), a holding company domiciled in the State of Delaware.

In 2009, ING Groep N.V. (“ING”) announced the anticipated separation of its global banking and insurance businesses, including the divestiture of Voya Financial, which together with its subsidiaries, including the Company, constituted ING's U.S.-based retirement, investment management, and insurance operations. On May 2, 2013, the common stock of Voya Financial began trading on the New York Stock Exchange under the symbol “VOYA”. On May 7, 2013 and May 31, 2013, Voya Financial completed its initial public offering of common stock, including the issuance and sale by Voya Financial of 30,769,230 shares of common stock and the sale by ING Insurance International B.V. (“ING International”), an indirect, wholly owned subsidiary of ING and previously the sole stockholder of Voya Financial, of 44,201,773 shares of outstanding common stock of Voya Financial (collectively, “the IPO”). On September 30, 2013, ING International transferred all of its shares of Voya Financial common stock to ING.

On October 29, 2013, ING completed a sale of 37,950,000 shares of common stock of Voya Financial in a registered public offering (“Secondary Offering”), reducing ING's ownership of Voya Financial to 57%.

Throughout 2014, ING completed the sale of an aggregate of 82,783,006 shares of common stock of Voya Financial in a series of registered public offerings. Also during 2014, pursuant to the terms of share repurchase agreements between ING and Voya Financial, Voya Financial acquired 19,447,847 shares of its common stock from ING. As of the end of 2014, ING's ownership of Voya Financial had been reduced to approximately 19%.

In March of 2015, ING completed a sale of 32,018,100 shares of common stock of Voya Financial in a registered public offering. Concurrently with this offering, pursuant to the terms of a share repurchase agreement between ING and Voya Financial, Voya Financial acquired 13,599,274 shares of its common stock from ING.

As a result of these transactions, ING satisfied the provisions of its agreement with the European Union regarding the divestment of its U.S. insurance and investment operations, which required ING to divest 100% of its ownership interest in Voya Financial together with its subsidiaries, by the end of 2016. ING continues to hold warrants to purchase up to 26,050,846 shares of Voya Financial common stock at an exercise price of \$48.75, in each case subject to adjustments.

The Account is registered as a unit investment trust with the Securities Exchange Commission (“SEC”) under the Investment Company Act of 1940, as amended. The Account is exclusively for use with Contracts that may be entitled to tax-deferred treatment under specific sections of the Internal Revenue Code of 1986, as amended. VRIAC provides for variable accumulation and benefits under the Contracts by crediting annuity considerations to one or more divisions within the Account or the fixed account (an investment option in the Company's general

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

account), as directed by the contract owners. The portion of the Account's assets applicable to Contracts will not be charged with liabilities arising out of any other business VRIAC may conduct, but obligations of the Account, including the promise to make benefit payments, are obligations of VRIAC. Under applicable insurance law, the assets and liabilities of the Account are clearly identified and distinguished from the other assets and liabilities of VRIAC.

At December 31, 2015, the Account had 111 investment divisions (the "Divisions"), 32 of which invest in independently managed mutual funds and 79 of which invest in mutual funds managed by affiliates, either Directed Services LLC ("DSL") or Voya Investments, LLC ("VIL"). The assets in each Division are invested in shares of a designated fund ("Fund") of various investment trusts (the "Trusts").

The Divisions with asset balances at December 31, 2015 and related Trusts are as follows:

**AIM Variable Insurance Funds:**

Invesco V.I. American Franchise Fund - Series I Shares  
Invesco V.I. Core Equity Fund - Series I Shares

**American Funds Insurance Series®:**

Growth Fund - Class 2  
Growth-Income Fund - Class 2  
International Fund - Class 2

**Calvert Variable Series, Inc.:**

Calvert VP SRI Balanced Portfolio

**Federated Insurance Series:**

Federated Fund for U.S. Government Securities II - Primary Shares  
Federated High Income Bond Fund II - Primary Shares  
Federated Kaufmann Fund II - Primary Shares  
Federated Managed Tail Risk Fund II - Primary Shares  
Federated Managed Volatility Fund II  
Federated Prime Money Fund II - Primary Shares

**Fidelity® Variable Insurance Products:**

Fidelity® VIP Equity-Income Portfolio - Initial Class  
Fidelity® VIP Growth Portfolio - Initial Class  
Fidelity® VIP High Income Portfolio - Initial Class  
Fidelity® VIP Overseas Portfolio - Initial Class

**Fidelity® Variable Insurance Products II:**

Fidelity® VIP Contrafund® Portfolio - Initial Class  
Fidelity® VIP Index 500 Portfolio - Initial Class

**Fidelity® Variable Insurance Products V:**

Fidelity® VIP Investment Grade Bond Portfolio - Initial Class

**Franklin Templeton Variable Insurance Products Trust:**

Franklin Small Cap Value VIP Fund - Class 2

**Janus Aspen Series:**

Janus Aspen Series Balanced Portfolio - Institutional Shares

**Lord Abbett Series Fund, Inc.:**

Lord Abbett Series Fund - Mid Cap Stock Portfolio - Class VC

**Oppenheimer Variable Account Funds:**

Oppenheimer Discovery Mid Cap Growth Fund/VA  
Oppenheimer Global Fund/VA  
Oppenheimer Main Street Fund®/VA  
Oppenheimer Main Street Small Cap Fund®/VA

**PIMCO Variable Insurance Trust:**

PIMCO Real Return Portfolio - Administrative Class

**Pioneer Variable Contracts Trust:**

Pioneer Emerging Markets VCT Portfolio - Class I  
Pioneer High Yield VCT Portfolio - Class I

**Voya Balanced Portfolio, Inc.:**

Voya Balanced Portfolio - Class I

**Voya Intermediate Bond Portfolio:**

Voya Intermediate Bond Portfolio - Class I

**Voya Investors Trust:**

Voya Global Perspectives Portfolio - Class A  
Voya Global Perspectives Portfolio - Class I  
Voya High Yield Portfolio - Service Class  
Voya Large Cap Growth Portfolio - Institutional Class  
Voya Large Cap Value Portfolio - Institutional Class  
Voya Large Cap Value Portfolio - Service Class  
Voya Multi-Manager Large Cap Core Portfolio - Institutional Class  
Voya Retirement Conservative Portfolio - Adviser Class  
Voya Retirement Growth Portfolio - Adviser Class  
Voya Retirement Moderate Growth Portfolio - Adviser Class  
Voya Retirement Moderate Portfolio - Adviser Class  
Voya U.S. Stock Index Portfolio - Service Class

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

**Voya Investors Trust (continued):**

VY® BlackRock Inflation Protected Bond Portfolio - Institutional Class  
VY® BlackRock Inflation Protected Bond Portfolio - Service Class  
VY® Clarion Global Real Estate Portfolio - Institutional Class  
VY® Clarion Global Real Estate Portfolio - Service Class  
VY® Clarion Real Estate Portfolio - Service Class  
VY® FMR Diversified Mid Cap Portfolio - Institutional Class  
VY® FMR Diversified Mid Cap Portfolio - Service Class  
VY® Franklin Income Portfolio - Service Class  
VY® Invesco Growth and Income Portfolio - Service Class  
VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class  
VY® JPMorgan Emerging Markets Equity Portfolio - Service Class  
VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class  
VY® JPMorgan Small Cap Core Equity Portfolio - Service Class  
VY® T. Rowe Price Capital Appreciation Portfolio - Service Class  
VY® T. Rowe Price Equity Income Portfolio - Service Class  
VY® T. Rowe Price International Stock Portfolio - Service Class  
VY® Templeton Global Growth Portfolio - Service Class

**Voya Money Market Portfolio:**

Voya Money Market Portfolio - Class I  
Voya Money Market Portfolio - Class S

**Voya Partners, Inc.:**

Voya Global Bond Portfolio - Initial Class  
Voya Global Bond Portfolio - Service Class  
Voya Solution 2025 Portfolio - Service Class  
Voya Solution 2035 Portfolio - Service Class  
Voya Solution 2045 Portfolio - Service Class  
Voya Solution Income Portfolio - Service Class  
Voya Solution Moderately Aggressive Portfolio - Service Class  
VY® American Century Small-Mid Cap Value Portfolio - Service Class  
VY® Baron Growth Portfolio - Service Class  
VY® Columbia Contrarian Core Portfolio - Service Class  
VY® Columbia Small Cap Value II Portfolio - Service Class  
VY® Invesco Comstock Portfolio - Service Class  
VY® Invesco Equity and Income Portfolio - Initial Class

**Voya Partners, Inc. (continued):**

VY® JPMorgan Mid Cap Value Portfolio - Service Class  
VY® Oppenheimer Global Portfolio - Initial Class  
VY® Pioneer High Yield Portfolio - Initial Class  
VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class  
VY® T. Rowe Price Growth Equity Portfolio - Initial Class  
VY® Templeton Foreign Equity Portfolio - Initial Class

**Voya Strategic Allocation Portfolios, Inc.:**

Voya Strategic Allocation Conservative Portfolio - Class I  
Voya Strategic Allocation Growth Portfolio - Class I  
Voya Strategic Allocation Moderate Portfolio - Class I

**Voya Variable Funds:**

Voya Growth and Income Portfolio - Class A  
Voya Growth and Income Portfolio - Class I

**Voya Variable Portfolios, Inc.:**

Voya Emerging Markets Index Portfolio - Class I  
Voya Euro STOXX 50® Index Portfolio - Class I  
Voya Global Value Advantage Portfolio - Class I  
Voya Global Value Advantage Portfolio - Class S  
Voya Index Plus LargeCap Portfolio - Class I  
Voya Index Plus MidCap Portfolio - Class I  
Voya Index Plus SmallCap Portfolio - Class I  
Voya International Index Portfolio - Class I  
Voya International Index Portfolio - Class S  
Voya Russell™ Large Cap Growth Index Portfolio - Class I  
Voya Russell™ Large Cap Index Portfolio - Class I  
Voya Russell™ Large Cap Value Index Portfolio - Class I  
Voya Russell™ Large Cap Value Index Portfolio - Class S  
Voya Russell™ Mid Cap Growth Index Portfolio - Class S  
Voya Russell™ Mid Cap Index Portfolio - Class I  
Voya Russell™ Small Cap Index Portfolio - Class I  
Voya Small Company Portfolio - Class I  
Voya U.S. Bond Index Portfolio - Class I

**Voya Variable Products Trust:**

Voya MidCap Opportunities Portfolio - Class I  
Voya MidCap Opportunities Portfolio - Class S  
Voya SmallCap Opportunities Portfolio - Class I  
Voya SmallCap Opportunities Portfolio - Class S

**Wanger Advisors Trust:**

Wanger International  
Wanger Select  
Wanger USA

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

During 2015, the following Divisions were closed to contract owners:

**Janus Aspen Series:**

Janus Aspen Series Enterprise Portfolio - Institutional Shares

**Voya Investors Trust:**

Voya Global Resources Portfolio - Service Class

VY® Franklin Mutual Shares Portfolio - Service Class

VY® Franklin Templeton Founding Strategy Portfolio - Service Class

**Voya Partners, Inc.:**

Voya Aggregate Bond Portfolio - Service Class

Voya Solution 2015 Portfolio - Service Class

**Voya Variable Products Trust:**

Voya International Value Portfolio - Class I

## **2. Significant Accounting Policies**

The following is a summary of the significant accounting policies of the Account:

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### *Investments*

Investments are made in shares of a Division and are recorded at fair value, determined by the net asset value per share of the respective Division. Investment transactions in each Division are recorded on the trade date. Distributions of net investment income and capital gains from each Division are recognized on the ex-distribution date. Realized gains and losses on redemptions of the shares of the Division are determined on a first-in, first-out basis. The difference between cost and current fair value of investments owned on the day of measurement is recorded as unrealized appreciation or depreciation of investments.

### *Federal Income Taxes*

Operations of the Account form a part of, and are taxed with, the total operations of VRIAC, which is taxed as a life insurance company under the Internal Revenue Code ("IRC"). Under the current provisions of the IRC, the Company does not expect to incur federal income taxes on the earnings of the Account to the extent the earnings are credited to contract owners. Accordingly, earnings and realized capital gains of the Account attributable to the contract owners are excluded in the determination of the federal income tax liability of VRIAC, and no charge is being made to the Account for federal income taxes for these amounts. The Company will review this tax accounting in the event of changes in the tax law. Such changes in the law may result in a charge for federal income taxes. Uncertain tax positions are assessed at the parent level on a consolidated basis, including taxes of the operations of the Separate Account.

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

*Contract Owner Reserves*

The annuity reserves of the Account are represented by net assets on the Statements of Assets and Liabilities and are equal to the aggregate account values of the contract owners invested in the Account Divisions. Net assets allocated to contracts in the payout period are computed according to the industry standard mortality tables. The assumed investment return is elected by the annuitant and may vary from 0.0% to 5.0%. The mortality risk is fully borne by the Company. To the extent that benefits to be paid to the contract owners exceed their account values, VRIAC will contribute additional funds to the benefit proceeds. Conversely, if amounts allocated exceed amounts required, transfers may be made to VRIAC. Prior to the annuitization date, the Contracts are redeemable for the net cash surrender value of the Contracts.

*Changes from Principal Transactions*

Included in Changes from principal transactions on the Statements of Changes in Net Assets are items which relate to contract owner activity, including deposits, surrenders and withdrawals, benefits, and contract charges. Also included are transfers between the fixed account and the Divisions, transfers between Divisions, and transfers to (from) VRIAC related to gains and losses resulting from actual mortality experience (the full responsibility for which is assumed by VRIAC).

*Subsequent Events*

The Account has evaluated subsequent events for recognition and disclosure through the date the financial statements were issued.

**3. Financial Instruments**

The Account invests assets in shares of open-end mutual funds, which process orders to purchase and redeem shares on a daily basis at the fund's next computed net asset values ("NAV"). The fair value of the Account's assets is based on the NAVs of mutual funds, which are obtained from the transfer agents or fund companies and reflect the fair values of the mutual fund investments. The NAV is calculated daily upon close of the New York Stock Exchange and is based on the fair values of the underlying securities.

The Account's assets are recorded at fair value on the Statements of Assets and Liabilities and are categorized as Level 1 as of December 31, 2015 based on the priority of the inputs to the valuation technique below. There were no transfers among the levels for the year ended December 31, 2015. The Account had no liabilities as of December 31, 2015.

The Account categorizes its financial instruments into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market. The Account defines an active market as a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Quoted prices in markets that are not active or valuation techniques that require inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
  - a) Quoted prices for similar assets or liabilities in active markets;
  - b) Quoted prices for identical or similar assets or liabilities in non-active markets;
  - c) Inputs other than quoted market prices that are observable; and
  - d) Inputs that are derived principally from or corroborated by observable market data through correlation or other means.
- Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability.

#### **4. Charges and Fees**

Under the terms of the Contracts, certain charges and fees are incurred by the Contracts to cover VRIAC's expenses in connection with the issuance and administration of the Contracts. Following is a summary of these charges and fees:

##### *Mortality and Expense Risk Charges*

VRIAC assumes mortality and expense risks related to the operations of the Account and, in accordance with the terms of the Contracts, deducts a daily charge from the assets of the Account. Daily charges are deducted at annual rates of up to 1.50% of the average daily net asset value of each Division of the Account to cover these risks, as specified in the Contracts. These charges are assessed through a reduction in unit values.

##### *Asset Based Administrative Charges*

A charge to cover administrative expenses of the Account is deducted at annual rates of up to 0.25% of the assets attributable to the Contracts. These charges are assessed through a reduction in unit values.

##### *Contract Maintenance Charges*

An annual Contract maintenance fee of up to \$80 may be deducted from the accumulation value of Contracts to cover ongoing administrative expenses, as specified in the Contract. These charges are assessed through the redemption of units.

##### *Contingent Deferred Sales Charges*

For certain Contracts, a contingent deferred sales charge ("Surrender Charge") is imposed as a percentage that ranges up to 7.00% of each premium payment if the Contract is surrendered or

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

---

an excess partial withdrawal is taken, as specified in the Contract. These charges are assessed through the redemption of units.

*Other Contract Charges*

Certain Contracts contain optional riders that are available for an additional charge, such as minimum guaranteed withdraw benefits. The amounts charged for these optional benefits vary based on a number of factors and are defined in the Contracts. These charges are assessed through the redemption of units.

Under the Fixed/Variable Premium Immediate Annuity contract, an additional annual charge of 1.00% of the average daily net asset value is deducted daily from the accumulation values for contract owners who select the Guaranteed Minimum Income feature. For Deferred Variable Annuity contracts an annual charge of up to 0.50% of the average daily net asset value is deducted daily from the accumulation values for contract owners who select the Premium Bonus Option feature. These charges are assessed through a reduction in unit values.

*Fees Waived by VRIAC*

Certain charges and fees for various types of Contracts may be waived by VRIAC. VRIAC reserves the right to discontinue these waivers at its discretion or to conform with changes in the law.

**5. Related Party Transactions**

During the year ended December 31, 2015, management fees were paid to DSL, an affiliate of the Company, in its capacity as investment adviser to Voya Investors Trust and Voya Partners, Inc. The Trusts' advisory agreements provide for fees at annual rates ranging from 0.05% to 1.25% of the average net assets of each respective Fund.

Management fees were also paid to VIL, an affiliate of the Company, in its capacity as investment adviser to the Voya Balanced Portfolio, Inc., Voya Intermediate Bond Portfolio, Voya Money Market Portfolio, Voya Strategic Allocation Portfolios, Inc., Voya Variable Funds, Voya Variable Portfolios, Inc., and Voya Variable Products Trust. The Trusts' advisory agreements provide for fees at annual rates ranging from 0.17% to 0.90% of the average net assets of each respective Fund.

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

**6. Purchases and Sales of Investment Securities**

The aggregate cost of purchases and proceeds from sales of investments for the year ended December 31, 2015 follow:

	<u>Purchases</u>	<u>Sales</u>
	<i>(Dollars in thousands)</i>	
AIM Variable Insurance Funds:		
Invesco V.I. American Franchise Fund - Series I Shares	\$ 161	\$ 177
Invesco V.I. Core Equity Fund - Series I Shares	195	265
American Funds Insurance Series®:		
Growth Fund - Class 2	152	82
Growth-Income Fund - Class 2	30	25
International Fund - Class 2	14	—
Calvert Variable Series, Inc.:		
Calvert VP SRI Balanced Portfolio	42	263
Federated Insurance Series:		
Federated Fund for U.S. Government Securities II - Primary Shares	131	228
Federated High Income Bond Fund II - Primary Shares	401	722
Federated Kaufmann Fund II - Primary Shares	357	714
Federated Managed Tail Risk Fund II - Primary Shares	131	913
Federated Managed Volatility Fund II	224	469
Federated Prime Money Fund II - Primary Shares	82	207
Fidelity® Variable Insurance Products:		
Fidelity® VIP Equity-Income Portfolio - Initial Class	5,774	43,227
Fidelity® VIP Growth Portfolio - Initial Class	1,387	2,801
Fidelity® VIP High Income Portfolio - Initial Class	13	20
Fidelity® VIP Overseas Portfolio - Initial Class	1,126	1,501
Fidelity® Variable Insurance Products II:		
Fidelity® VIP Contrafund® Portfolio - Initial Class	6,567	6,860
Fidelity® VIP Index 500 Portfolio - Initial Class	993	2,388
Fidelity® Variable Insurance Products V:		
Fidelity® VIP Investment Grade Bond Portfolio - Initial Class	13	43
Franklin Templeton Variable Insurance Products Trust:		
Franklin Small Cap Value VIP Fund - Class 2	659	805
Janus Aspen Series:		
Janus Aspen Series Balanced Portfolio - Institutional Shares	1	—
Janus Aspen Series Enterprise Portfolio - Institutional Shares	—	—
Lord Abnett Series Fund, Inc.:		
Lord Abnett Series Fund - Mid Cap Stock Portfolio - Class VC	297	400
Oppenheimer Variable Account Funds:		
Oppenheimer Discovery Mid Cap Growth Fund/VA	14	89
Oppenheimer Global Fund/VA	2	19
Oppenheimer Main Street Fund®/VA	54	37
Oppenheimer Main Street Small Cap Fund®/VA	797	387
PIMCO Variable Insurance Trust:		
PIMCO Real Return Portfolio - Administrative Class	429	775
Pioneer Variable Contracts Trust:		
Pioneer Emerging Markets VCT Portfolio - Class I	700	520
Pioneer High Yield VCT Portfolio - Class I	169	657
Voya Balanced Portfolio, Inc.:		
Voya Balanced Portfolio - Class I	2,935	10,565

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	<u>Purchases</u>	<u>Sales</u>
	<i>(Dollars in thousands)</i>	
Voya Intermediate Bond Portfolio:		
Voya Intermediate Bond Portfolio - Class I	\$ 14,700	\$ 16,846
Voya Investors Trust:		
Voya Global Perspectives Portfolio - Class A	11	35
Voya Global Perspectives Portfolio - Class I	40	48
Voya Global Resources Portfolio - Service Class	129	3,557
Voya High Yield Portfolio - Service Class	614	1,354
Voya Large Cap Growth Portfolio - Institutional Class	15,601	20,663
Voya Large Cap Value Portfolio - Institutional Class	1,425	2,852
Voya Large Cap Value Portfolio - Service Class	1,782	332
Voya Multi-Manager Large Cap Core Portfolio - Institutional Class	1,276	1,978
Voya Retirement Conservative Portfolio - Adviser Class	1,007	1,287
Voya Retirement Growth Portfolio - Adviser Class	293	535
Voya Retirement Moderate Growth Portfolio - Adviser Class	414	642
Voya Retirement Moderate Portfolio - Adviser Class	486	922
Voya U.S. Stock Index Portfolio - Service Class	9	3
VY® BlackRock Inflation Protected Bond Portfolio - Institutional Class	13	11
VY® BlackRock Inflation Protected Bond Portfolio - Service Class	638	876
VY® Clarion Global Real Estate Portfolio - Institutional Class	331	525
VY® Clarion Global Real Estate Portfolio - Service Class	192	361
VY® Clarion Real Estate Portfolio - Service Class	1,236	1,668
VY® FMR Diversified Mid Cap Portfolio - Institutional Class	2,539	2,889
VY® FMR Diversified Mid Cap Portfolio - Service Class	470	720
VY® Franklin Income Portfolio - Service Class	614	1,134
VY® Franklin Mutual Shares Portfolio - Service Class	891	2,027
VY® Franklin Templeton Founding Strategy Portfolio - Service Class	36	213
VY® Invesco Growth and Income Portfolio - Service Class	409	269
VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class	345	653
VY® JPMorgan Emerging Markets Equity Portfolio - Service Class	1,626	1,442
VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class	815	817
VY® JPMorgan Small Cap Core Equity Portfolio - Service Class	410	337
VY® T. Rowe Price Capital Appreciation Portfolio - Service Class	9,216	3,871
VY® T. Rowe Price Equity Income Portfolio - Service Class	1,085	807
VY® T. Rowe Price International Stock Portfolio - Service Class	254	493
VY® Templeton Global Growth Portfolio - Service Class	48	102
Voya Money Market Portfolio:		
Voya Money Market Portfolio - Class I	9,441	15,670
Voya Money Market Portfolio - Class S	—	1
Voya Partners, Inc.:		
Voya Aggregate Bond Portfolio - Service Class	1,268	9,236
Voya Global Bond Portfolio - Initial Class	549	4,619
Voya Global Bond Portfolio - Service Class	1	11
Voya Solution 2015 Portfolio - Service Class	546	3,303
Voya Solution 2025 Portfolio - Service Class	1,173	719
Voya Solution 2035 Portfolio - Service Class	2,564	1,375
Voya Solution 2045 Portfolio - Service Class	1,650	135
Voya Solution Income Portfolio - Service Class	3,063	886
Voya Solution Moderately Aggressive Portfolio - Service Class	199	3
VY® American Century Small-Mid Cap Value Portfolio - Service Class	841	532

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	<b>Purchases</b>	<b>Sales</b>
	<i>(Dollars in thousands)</i>	
Voya Partners, Inc. (continued):		
VY® Baron Growth Portfolio - Service Class	\$ 712	\$ 1,461
VY® Columbia Contrarian Core Portfolio - Service Class	610	556
VY® Columbia Small Cap Value II Portfolio - Service Class	183	101
VY® Invesco Comstock Portfolio - Service Class	124	407
VY® Invesco Equity and Income Portfolio - Initial Class	8,514	11,920
VY® JPMorgan Mid Cap Value Portfolio - Service Class	852	621
VY® Oppenheimer Global Portfolio - Initial Class	8,576	10,202
VY® Pioneer High Yield Portfolio - Initial Class	2,049	3,646
VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class	8,538	6,594
VY® T. Rowe Price Growth Equity Portfolio - Initial Class	9,489	6,537
VY® Templeton Foreign Equity Portfolio - Initial Class	1,280	2,259
Voya Strategic Allocation Portfolios, Inc.:		
Voya Strategic Allocation Conservative Portfolio - Class I	1,103	1,350
Voya Strategic Allocation Growth Portfolio - Class I	793	971
Voya Strategic Allocation Moderate Portfolio - Class I	619	1,998
Voya Variable Funds:		
Voya Growth and Income Portfolio - Class A	139	311
Voya Growth and Income Portfolio - Class I	26,241	37,490
Voya Variable Portfolios, Inc.:		
Voya Emerging Markets Index Portfolio - Class I	89	45
Voya Euro STOXX 50® Index Portfolio - Class I	4	3
Voya Global Value Advantage Portfolio - Class I	3,736	855
Voya Global Value Advantage Portfolio - Class S	1,317	155
Voya Index Plus LargeCap Portfolio - Class I	3,359	10,205
Voya Index Plus MidCap Portfolio - Class I	1,850	1,546
Voya Index Plus SmallCap Portfolio - Class I	335	765
Voya International Index Portfolio - Class I	1,449	2,369
Voya International Index Portfolio - Class S	5	104
Voya Russell™ Large Cap Growth Index Portfolio - Class I	1,338	4,184
Voya Russell™ Large Cap Index Portfolio - Class I	1,713	3,214
Voya Russell™ Large Cap Value Index Portfolio - Class I	36,447	2,837
Voya Russell™ Large Cap Value Index Portfolio - Class S	295	711
Voya Russell™ Mid Cap Growth Index Portfolio - Class S	54	548
Voya Russell™ Mid Cap Index Portfolio - Class I	549	519
Voya Russell™ Small Cap Index Portfolio - Class I	487	334
Voya Small Company Portfolio - Class I	4,500	4,411
Voya U.S. Bond Index Portfolio - Class I	345	490
Voya Variable Products Trust:		
Voya International Value Portfolio - Class I	40	1,562
Voya MidCap Opportunities Portfolio - Class I	1,471	1,214
Voya MidCap Opportunities Portfolio - Class S	731	365
Voya SmallCap Opportunities Portfolio - Class I	774	138
Voya SmallCap Opportunities Portfolio - Class S	501	702
Wanger Advisors Trust:		
Wanger International	592	626
Wanger Select	1,085	889
Wanger USA	377	205

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

**7. Changes in Units**

The changes in units outstanding were as follows:

	Year ended December 31					
	2015			2014		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
AIM Variable Insurance Funds:						
Invesco V.I. American Franchise Fund - Series I Shares	40,747	41,361	(614)	48,986	48,286	700
Invesco V.I. Core Equity Fund - Series I Shares	144,567	157,541	(12,974)	111,235	127,776	(16,541)
American Funds Insurance Series®:						
Growth Fund - Class 2	10,456	7,199	3,257	8,336	113	8,223
Growth-Income Fund - Class 2	491	991	(500)	7,518	6,748	770
International Fund - Class 2	676	11	665	1,939	1,422	517
Calvert Variable Series, Inc.:						
Calvert VP SRI Balanced Portfolio	2,333	14,170	(11,837)	30,739	10,635	20,104
Federated Insurance Series:						
Federated Fund for U.S. Government Securities II - Primary Shares	3,693	9,005	(5,312)	1,612	6,764	(5,152)
Federated High Income Bond Fund II - Primary Shares	20,361	32,235	(11,874)	14,986	22,129	(7,143)
Federated Kaufmann Fund II - Primary Shares	3,978	33,529	(29,551)	1,881	22,068	(20,187)
Federated Managed Tail Risk Fund II - Primary Shares	38,230	98,738	(60,508)	40,156	111,487	(71,331)
Federated Managed Volatility Fund II	13,231	26,077	(12,846)	12,754	27,335	(14,581)
Federated Prime Money Fund II - Primary Shares	9,583	18,510	(8,927)	12,265	17,611	(5,346)
Fidelity® Variable Insurance Products:						
Fidelity® VIP Equity-Income Portfolio - Initial Class	31,602	1,591,026	(1,559,424)	99,289	427,143	(327,854)
Fidelity® VIP Growth Portfolio - Initial Class	52,632	138,590	(85,958)	144,536	107,062	37,474
Fidelity® VIP High Income Portfolio - Initial Class	96,288	97,259	(971)	169,395	170,994	(1,599)
Fidelity® VIP Overseas Portfolio - Initial Class	64,538	91,282	(26,744)	43,904	73,506	(29,602)
Fidelity® Variable Insurance Products II:						
Fidelity® VIP Contrafund® Portfolio - Initial Class	121,553	287,708	(166,155)	399,470	521,189	(121,719)
Fidelity® VIP Index 500 Portfolio - Initial Class	18,102	56,980	(38,878)	13,121	111,679	(98,558)
Fidelity® Variable Insurance Products V:						
Fidelity® VIP Investment Grade Bond Portfolio - Initial Class	—	1,549	(1,549)	1	3,105	(3,104)
Franklin Templeton Variable Insurance Products Trust:						
Franklin Small Cap Value VIP Fund - Class 2	16,197	34,128	(17,931)	39,981	47,866	(7,885)

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31					
	2015			2014		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Janus Aspen Series:						
Janus Aspen Series Balanced Portfolio - Institutional Shares	—	—	—	—	—	—
Janus Aspen Series Enterprise Portfolio - Institutional Shares	—	4	(4)	—	—	—
Lord Abnett Series Fund, Inc.:						
Lord Abnett Series Fund - Mid Cap Stock Portfolio - Class VC	10,904	22,370	(11,466)	18,913	27,276	(8,363)
Oppenheimer Variable Account Funds:						
Oppenheimer Discovery Mid Cap Growth Fund/VA	544,102	549,858	(5,756)	2,314,695	2,331,860	(17,165)
Oppenheimer Global Fund/VA	—	1,164	(1,164)	—	7	(7)
Oppenheimer Main Street Fund®/VA	168,208	170,025	(1,817)	176,271	178,087	(1,816)
Oppenheimer Main Street Small Cap Fund®/VA	28,395	18,897	9,498	16,362	11,093	5,269
PIMCO Variable Insurance Trust:						
PIMCO Real Return Portfolio - Administrative Class	25,885	53,923	(28,038)	67,844	111,506	(43,662)
Pioneer Variable Contracts Trust:						
Pioneer Emerging Markets VCT Portfolio - Class I	80,015	73,484	6,531	49,210	80,033	(30,823)
Pioneer High Yield VCT Portfolio - Class I	7,223	39,758	(32,535)	49,667	17,288	32,379
Voya Balanced Portfolio, Inc.:						
Voya Balanced Portfolio - Class I	7,491,145	7,789,051	(297,906)	6,995,149	7,317,542	(322,393)
Voya Intermediate Bond Portfolio:						
Voya Intermediate Bond Portfolio - Class I	4,953,604	5,133,588	(179,984)	4,745,010	5,100,210	(355,200)
Voya Investors Trust:						
Voya Global Perspectives Portfolio - Class A	42	3,077	(3,035)	43,727	26,289	17,438
Voya Global Perspectives Portfolio - Class I	3,706	4,650	(944)	5,258	53	5,205
Voya Global Resources Portfolio - Service Class	—	353,823	(353,823)	146,066	160,201	(14,135)
Voya High Yield Portfolio - Service Class	24,186	74,019	(49,833)	124,021	123,830	191
Voya Large Cap Growth Portfolio - Institutional Class	4,304,083	4,992,340	(688,257)	10,180,827	9,766,333	414,494
Voya Large Cap Value Portfolio - Institutional Class	47,824	181,438	(133,614)	282,183	144,643	137,540
Voya Large Cap Value Portfolio - Service Class	106,600	20,034	86,566	13,254	59,772	(46,518)
Voya Multi-Manager Large Cap Core Portfolio - Institutional Class	4,618,191	4,684,872	(66,681)	5,477,731	5,557,146	(79,415)
Voya Retirement Conservative Portfolio - Adviser Class	81,915	116,438	(34,523)	75,869	133,699	(57,830)
Voya Retirement Growth Portfolio - Adviser Class	15,716	35,712	(19,996)	12,462	78,514	(66,052)
Voya Retirement Moderate Growth Portfolio - Adviser Class	19,861	43,700	(23,839)	25,286	87,210	(61,924)

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31					
	2015			2014		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Voya Investors Trust: (continued )						
Voya Retirement Moderate Portfolio - Adviser Class	15,622	72,864	(57,242)	36,528	91,939	(55,411)
Voya U.S. Stock Index Portfolio - Service Class	28	109	(81)	595	802	(207)
VY® BlackRock Inflation Protected Bond Portfolio - Institutional Class	897	860	37	1,877	2,440	(563)
VY® BlackRock Inflation Protected Bond Portfolio - Service Class	61,019	85,036	(24,017)	33,282	95,982	(62,700)
VY® Clarion Global Real Estate Portfolio - Institutional Class	20,607	37,544	(16,937)	99,891	90,199	9,692
VY® Clarion Global Real Estate Portfolio - Service Class	11,891	24,999	(13,108)	5,989	25,033	(19,044)
VY® Clarion Real Estate Portfolio - Service Class	73,902	103,823	(29,921)	229,893	176,991	52,902
VY® FMR Diversified Mid Cap Portfolio - Institutional Class	1,499,768	1,639,703	(139,935)	3,840,218	4,003,909	(163,691)
VY® FMR Diversified Mid Cap Portfolio - Service Class	9,255	35,231	(25,976)	27,210	52,129	(24,919)
VY® Franklin Income Portfolio - Service Class	32,356	83,036	(50,680)	97,884	96,870	1,014
VY® Franklin Mutual Shares Portfolio - Service Class	—	131,892	(131,892)	28,219	14,428	13,791
VY® Franklin Templeton Founding Strategy Portfolio - Service Class	—	16,391	(16,391)	15,638	8,522	7,116
VY® Invesco Growth and Income Portfolio - Service Class	12,742	14,446	(1,704)	7,783	15,087	(7,304)
VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class	11,245	37,094	(25,849)	31,683	189,078	(157,395)
VY® JPMorgan Emerging Markets Equity Portfolio - Service Class	93,811	124,745	(30,934)	423,551	209,272	214,279
VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class	23,314	33,300	(9,986)	30,260	36,689	(6,429)
VY® JPMorgan Small Cap Core Equity Portfolio - Service Class	12,774	14,205	(1,431)	29,782	16,130	13,652
VY® T. Rowe Price Capital Appreciation Portfolio - Service Class	316,194	227,895	88,299	599,087	471,516	127,571
VY® T. Rowe Price Equity Income Portfolio - Service Class	21,097	44,998	(23,901)	46,323	110,143	(63,820)
VY® T. Rowe Price International Stock Portfolio - Service Class	20,831	38,110	(17,279)	35,720	68,891	(33,171)
VY® Templeton Global Growth Portfolio - Service Class	1,738	7,491	(5,753)	9,104	15,554	(6,450)
Voya Money Market Portfolio:						
Voya Money Market Portfolio - Class I	22,327,389	22,792,603	(465,214)	46,554,709	46,963,815	(409,106)
Voya Money Market Portfolio - Class S	46	92	(46)	225	3,456	(3,231)
Voya Partners, Inc.:						
Voya Aggregate Bond Portfolio - Service Class	—	584,308	(584,308)	116,046	162,719	(46,673)
Voya Global Bond Portfolio - Initial Class	2,639,678	2,928,988	(289,310)	3,227,389	3,494,462	(267,073)
Voya Global Bond Portfolio - Service Class	66,328	66,996	(668)	107,796	108,863	(1,067)
Voya Solution 2015 Portfolio - Service Class	—	222,862	(222,862)	41,659	32,601	9,058
Voya Solution 2025 Portfolio - Service Class	47,795	53,749	(5,954)	64,563	43,511	21,052

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31					
	2015			2014		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Voya Partners, Inc.: (continued)						
Voya Solution 2035 Portfolio - Service Class	109,339	96,027	13,312	103,883	71,175	32,708
Voya Solution 2045 Portfolio - Service Class	72,998	13,769	59,229	75,794	45,730	30,064
Voya Solution Income Portfolio - Service Class	216,275	65,173	151,102	15,749	22,157	(6,408)
Voya Solution Moderately Aggressive Portfolio - Service Class	19,910	119	19,791	—	—	—
VY® American Century Small-Mid Cap Value Portfolio - Service Class	11,640	21,835	(10,195)	41,971	27,735	14,236
VY® Baron Growth Portfolio - Service Class	18,631	67,039	(48,408)	84,586	149,900	(65,314)
VY® Columbia Contrarian Core Portfolio - Service Class	18,975	33,925	(14,950)	22,761	48,018	(25,257)
VY® Columbia Small Cap Value II Portfolio - Service Class	11,400	5,670	5,730	21,231	18,963	2,268
VY® Invesco Comstock Portfolio - Service Class	5,171	20,225	(15,054)	35,727	28,532	7,195
VY® Invesco Equity and Income Portfolio - Initial Class	79,699	625,348	(545,649)	1,955,021	641,847	1,313,174
VY® JPMorgan Mid Cap Value Portfolio - Service Class	14,783	24,973	(10,190)	46,961	30,153	16,808
VY® Oppenheimer Global Portfolio - Initial Class	2,146,848	2,521,962	(375,114)	2,616,440	3,256,620	(640,180)
VY® Pioneer High Yield Portfolio - Initial Class	4,724,576	4,847,717	(123,141)	5,120,930	5,231,421	(110,491)
VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class	113,892	298,573	(184,681)	104,322	405,195	(300,873)
VY® T. Rowe Price Growth Equity Portfolio - Initial Class	2,509,166	2,517,459	(8,293)	3,444,065	3,482,316	(38,251)
VY® Templeton Foreign Equity Portfolio - Initial Class	1,954,685	2,091,201	(136,516)	1,382,150	1,522,148	(139,998)
Voya Strategic Allocation Portfolios, Inc.:						
Voya Strategic Allocation Conservative Portfolio - Class I	1,528,432	1,545,929	(17,497)	1,540,248	1,598,048	(57,800)
Voya Strategic Allocation Growth Portfolio - Class I	835,253	843,919	(8,666)	980,752	981,174	(422)
Voya Strategic Allocation Moderate Portfolio - Class I	2,075,085	2,154,460	(79,375)	1,781,801	1,818,355	(36,554)
Voya Variable Funds:						
Voya Growth and Income Portfolio - Class A	1,500,322	1,515,714	(15,392)	1,211,896	1,223,954	(12,058)
Voya Growth and Income Portfolio - Class I	10,235,246	11,304,825	(1,069,579)	12,058,734	12,984,957	(926,223)
Voya Variable Portfolios, Inc.:						
Voya Emerging Markets Index Portfolio - Class I	8,914	5,226	3,688	180	—	180
Voya Euro STOXX 50® Index Portfolio - Class I	303	273	30	609	163	446
Voya Global Value Advantage Portfolio - Class I	377,868	89,880	287,988	—	—	—
Voya Global Value Advantage Portfolio - Class S	133,540	14,932	118,608	—	—	—
Voya Index Plus LargeCap Portfolio - Class I	9,874,537	10,173,141	(298,604)	14,832,925	15,328,494	(495,569)

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Year ended December 31					
	2015			2014		
	Units Issued	Units Redeemed	Net Increase (Decrease)	Units Issued	Units Redeemed	Net Increase (Decrease)
Voya Variable Portfolios, Inc. (continued):						
Voya Index Plus MidCap Portfolio - Class I	39,735	75,522	(35,787)	100,046	129,060	(29,014)
Voya Index Plus SmallCap Portfolio - Class I	20,082	39,420	(19,338)	37,166	60,206	(23,040)
Voya International Index Portfolio - Class I	2,328,995	2,382,591	(53,596)	12,946,807	12,605,175	341,632
Voya International Index Portfolio - Class S	156	6,875	(6,719)	102	924	(822)
Voya Russell™ Large Cap Growth Index Portfolio - Class I	857,408	981,978	(124,570)	178,656	363,980	(185,324)
Voya Russell™ Large Cap Index Portfolio - Class I	3,148,732	3,208,074	(59,342)	3,794,582	3,848,178	(53,596)
Voya Russell™ Large Cap Value Index Portfolio - Class I	2,781,040	177,355	2,603,685	26,730	87,228	(60,498)
Voya Russell™ Large Cap Value Index Portfolio - Class S	2,771	22,519	(19,748)	24,214	18,074	6,140
Voya Russell™ Mid Cap Growth Index Portfolio - Class S	1,950	20,186	(18,236)	16,334	1,254	15,080
Voya Russell™ Mid Cap Index Portfolio - Class I	22,354	25,776	(3,422)	57,928	23,911	34,017
Voya Russell™ Small Cap Index Portfolio - Class I	18,820	18,165	655	29,836	12,027	17,809
Voya Small Company Portfolio - Class I	1,523,666	1,612,360	(88,694)	1,912,092	2,027,607	(115,515)
Voya U.S. Bond Index Portfolio - Class I	26,929	40,576	(13,647)	50,523	42,425	8,098
Voya Variable Products Trust:						
Voya International Value Portfolio - Class I	—	119,091	(119,091)	39,963	30,985	8,978
Voya MidCap Opportunities Portfolio - Class I	32,981	62,191	(29,210)	67,589	135,045	(67,456)
Voya MidCap Opportunities Portfolio - Class S	16,645	16,937	(292)	6,876	50,778	(43,902)
Voya SmallCap Opportunities Portfolio - Class I	32,364	7,624	24,740	67,408	74,290	(6,882)
Voya SmallCap Opportunities Portfolio - Class S	18,029	43,984	(25,955)	17,983	51,085	(33,102)
Wanger Advisors Trust:						
Wanger International	21,588	41,104	(19,516)	64,073	71,728	(7,655)
Wanger Select	20,608	52,467	(31,859)	85,398	75,973	9,425
Wanger USA	10,228	9,469	759	24,071	34,166	(10,095)

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

**8. Financial Highlights**

A summary of unit values, units outstanding, and net assets for variable annuity Contracts, expense ratios, excluding expenses of underlying Funds, investment income ratios, and total return for the years ended December 31, 2015, 2014, 2013, 2012, and 2011, follows:

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>		<b>Total Return<sup>D</sup> (lowest to highest)</b>				
Invesco V.I. American Franchise Fund - Series I Shares													
2015		19	\$15.06	to	\$57.76	\$928	-	0.10%	to	1.25%	3.70%	to	4.90%
2014		19	\$14.52	to	\$55.06	\$906	-	0.10%	to	1.25%	7.08%	to	7.67%
2013		19	\$13.56	to	\$50.53	\$791	0.40%	0.70%	to	1.25%	38.37%	to	39.16%
2012	4/27/2012	22	\$9.80	to	\$36.08	\$693	(b)	0.70%	to	1.25%			(b)
2011		(b)			(b)	(b)	(b)						(b)
Invesco V.I. Core Equity Fund - Series I Shares													
2015		88	\$13.58	to	\$22.55	\$1,370	1.11%	0.10%	to	1.50%	-7.18%	to	-5.88%
2014		101	\$14.63	to	\$24.16	\$1,700	0.85%	0.10%	to	1.50%	6.55%	to	7.76%
2013		118	\$13.73	to	\$22.56	\$1,831	1.41%	0.35%	to	1.50%	27.37%	to	28.82%
2012		118	\$10.78	to	\$17.62	\$1,426	0.96%	0.35%	to	1.50%	12.17%	to	13.44%
2011		139	\$9.61	to	\$15.62	\$1,485	0.99%	0.35%	to	1.50%	-1.54%	to	-0.38%
Growth Fund - Class 2													
2015		11	\$11.50	to	\$11.72	\$134	0.89%	0.10%	to	1.25%	5.50%	to	6.74%
2014	6/26/2014	8	\$10.90	to	\$10.98	\$90	(c)	0.10%	to	1.25%			(c)
2013		(c)			(c)	(c)	(c)			(c)			(c)
2012		(c)			(c)	(c)	(c)			(c)			(c)
2011		(c)			(c)	(c)	(c)			(c)			(c)
Growth-Income Fund - Class 2													
2015		5			\$23.82	\$118	1.63%			0.10%			1.36%
2014		5			\$23.50	\$128	(e)			0.10%			(e)
2013		5			\$20.54	\$96	1.96%			0.75%			32.52%
2012		-			\$15.50	\$6	-			0.75%			16.54%
2011	2/17/2011	-			\$13.30	\$2	(a)			0.75%			(a)

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>		
International Fund - Class 2												
	2015	2	\$16.16		\$40	2.82%	0.10%					-4.66%
	2014	2	\$16.95		\$31	(e)	0.10%					(e)
	2013	1	\$16.83		\$22	-	0.75%					20.73%
	2012	1	\$13.94		\$9	-	0.75%					17.04%
	2011	-	\$11.91		\$2	-	0.75%					-14.62%
Calvert VP SRI Balanced Portfolio												
	2015	56	\$14.64	to \$34.84	\$983	0.09%	0.10%	to 1.50%	-3.65%			to -2.29%
	2014	68	\$15.07	to \$35.89	\$1,232	1.75%	0.10%	to 1.50%	7.98%			to 8.81%
	2013	48	\$13.85	to \$33.00	\$936	1.00%	0.70%	to 1.50%	16.35%			to 17.17%
	2012	47	\$11.82	to \$28.17	\$871	1.16%	0.70%	to 1.40%	8.99%			to 9.75%
	2011	59	\$10.77	to \$25.68	\$1,023	1.41%	0.70%	to 1.40%	3.09%			to 3.86%
Federated Fund for U.S. Government Securities II - Primary Shares												
	2015	30	\$19.81		\$589	2.79%	1.40%					-0.90%
	2014	35	\$19.99		\$701	2.84%	1.40%					3.15%
	2013	40	\$19.38		\$779	3.50%	1.40%					-3.44%
	2012	46	\$20.07		\$933	3.98%	1.40%					1.57%
	2011	57	\$19.76		\$1,125	4.36%	1.40%					4.27%
Federated High Income Bond Fund II - Primary Shares												
	2015	108	\$9.44	to \$30.81	\$3,031	6.03%	0.70%	to 1.50%	-3.97%			to -3.76%
	2014	120	\$9.83	to \$32.02	\$3,632	6.08%	1.25%	to 1.50%	1.27%			to 1.39%
	2013	127	\$30.71	to \$31.58	\$3,906	6.90%	1.25%	to 1.40%	5.50%			to 5.65%
	2012	137	\$29.11	to \$29.89	\$4,002	7.61%	1.25%	to 1.40%	13.05%			to 13.26%
	2011	146	\$25.75	to \$26.39	\$3,753	9.10%	1.25%	to 1.40%	3.71%			to 3.86%
Federated Kaufmann Fund II - Primary Shares												
	2015	67	\$18.92		\$1,260	-	1.40%					4.88%
	2014	96	\$18.04		\$1,734	-	1.40%					8.15%
	2013	116	\$16.68		\$1,940	-	1.40%					38.19%
	2012	130	\$12.07		\$1,565	-	1.40%					15.61%
	2011	154	\$10.44		\$1,610	1.12%	1.40%					-14.50%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>			
Federated Managed Tail Risk Fund II - Primary Shares													
	2015	222	\$11.41	to	\$12.27	\$2,722	1.79%	1.25%	to	1.40%	-7.74%	to	-7.61%
	2014	282	\$12.35	to	\$13.30	\$3,751	1.77%	1.25%	to	1.40%	-2.35%	to	-2.22%
	2013	354	\$12.63	to	\$13.62	\$4,813	1.03%	1.25%	to	1.40%	14.84%	to	15.03%
	2012	396	\$10.98	to	\$11.86	\$4,688	0.58%	1.25%	to	1.40%	8.61%	to	8.82%
	2011	462	\$10.09	to	\$10.92	\$5,042	0.76%	1.25%	to	1.40%	-6.67%	to	-6.49%
Federated Managed Volatility Fund II													
	2015	86	\$24.10	to	\$24.86	\$2,066	4.54%	1.25%	to	1.40%	-8.85%	to	-8.70%
	2014	99	\$26.44	to	\$27.23	\$2,607	3.29%	1.25%	to	1.40%	2.44%	to	2.60%
	2013	113	\$25.81	to	\$26.54	\$2,920	2.94%	1.25%	to	1.40%	20.05%	to	20.25%
	2012	130	\$21.50	to	\$22.07	\$2,788	3.08%	1.25%	to	1.40%	11.92%	to	12.09%
	2011	162	\$19.21	to	\$19.69	\$3,112	4.14%	1.25%	to	1.40%	3.34%	to	3.47%
Federated Prime Money Fund II - Primary Shares													
	2015	70	\$9.30	to	\$12.43	\$873	-	1.25%	to	1.40%	-1.43%	to	-1.17%
	2014	79	\$9.41	to	\$12.61	\$998	-	1.25%	to	1.40%	-1.41%	to	-1.26%
	2013	85	\$9.53	to	\$12.79	\$1,080	-	1.25%	to	1.40%	-1.39%	to	-1.24%
	2012	86	\$9.65	to	\$12.97	\$1,113	-	1.25%	to	1.40%	-1.37%	to	-1.33%
	2011	113	\$9.78	to	\$13.15	\$1,482	-	1.25%	to	1.40%	-1.42%	to	-1.21%
Fidelity® VIP Equity-Income Portfolio - Initial Class													
	2015	468	\$15.56	to	\$36.18	\$11,270	1.27%	0.10%	to	1.50%	-5.39%	to	-4.11%
	2014	2,027	\$16.31	to	\$40.39	\$53,810	2.71%	0.10%	to	1.75%	6.78%	to	8.35%
	2013	2,355	\$15.11	to	\$37.68	\$58,115	2.50%	0.35%	to	1.75%	25.92%	to	27.71%
	2012	2,416	\$11.88	to	\$29.82	\$51,415	3.00%	0.35%	to	1.75%	15.25%	to	16.81%
	2011	2,910	\$10.19	to	\$25.78	\$52,914	2.39%	0.35%	to	1.75%	-0.79%	to	0.68%
Fidelity® VIP Growth Portfolio - Initial Class													
	2015	509	\$17.79	to	\$37.34	\$12,603	0.25%	0.10%	to	1.50%	5.60%	to	7.04%
	2014	595	\$16.72	to	\$35.11	\$13,536	0.20%	0.10%	to	1.50%	9.65%	to	10.93%
	2013	557	\$15.13	to	\$31.78	\$11,910	0.29%	0.35%	to	1.50%	34.31%	to	35.85%
	2012	457	\$11.17	to	\$23.48	\$9,570	0.62%	0.35%	to	1.50%	12.96%	to	14.26%
	2011	497	\$9.81	to	\$20.63	\$9,281	0.38%	0.35%	to	1.50%	-1.29%	to	-0.10%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>			
Fidelity® VIP High Income Portfolio - Initial Class													
	2015	11	\$14.61	to	\$17.42	\$163	6.84%	0.80%	to	1.25%	-4.82%	to	-4.39%
	2014	12	\$15.35	to	\$18.22	\$188	5.49%	0.80%	to	1.25%	-0.13%	to	0.33%
	2013	13	\$15.37	to	\$18.16	\$213	5.32%	0.80%	to	1.25%	4.63%	to	5.09%
	2012	15	\$14.69	to	\$17.28	\$238	5.65%	0.80%	to	1.25%	12.83%	to	13.31%
	2011	16	\$13.02	to	\$15.25	\$222	7.33%	0.80%	to	1.25%	2.68%	to	3.18%
Fidelity® VIP Overseas Portfolio - Initial Class													
	2015	204	\$11.17	to	\$23.97	\$3,092	1.30%	0.10%	to	1.50%	2.07%	to	3.53%
	2014	230	\$10.85	to	\$23.30	\$3,390	1.29%	0.10%	to	1.50%	-9.42%	to	-8.40%
	2013	260	\$11.89	to	\$25.54	\$4,196	1.33%	0.35%	to	1.50%	28.51%	to	29.95%
	2012	202	\$9.18	to	\$19.73	\$3,599	1.90%	0.35%	to	1.50%	18.89%	to	20.33%
	2011	229	\$7.65	to	\$16.46	\$3,450	1.38%	0.35%	to	1.50%	-18.37%	to	-17.43%
Fidelity® VIP Contrafund® Portfolio - Initial Class													
	2015	1,293	\$17.53	to	\$56.91	\$38,170	1.03%	0.10%	to	1.50%	-0.83%	to	0.55%
	2014	1,459	\$17.53	to	\$56.95	\$42,294	0.91%	0.10%	to	1.50%	10.28%	to	11.54%
	2013	1,581	\$15.77	to	\$51.26	\$44,181	0.59%	0.35%	to	1.50%	29.34%	to	30.84%
	2012	3,713	\$12.10	to	\$39.34	\$103,676	1.34%	0.35%	to	1.90%	14.18%	to	16.01%
	2011	4,325	\$10.46	to	\$34.14	\$104,530	0.97%	0.35%	to	1.90%	-4.34%	to	-2.84%
Fidelity® VIP Index 500 Portfolio - Initial Class													
	2015	496	\$34.25	to	\$40.08	\$19,508	1.98%	1.25%	to	1.40%	-0.10%	to	0.06%
	2014	534	\$34.23	to	\$40.12	\$21,031	1.53%	1.25%	to	1.40%	12.00%	to	12.16%
	2013	633	\$30.52	to	\$35.82	\$22,227	1.87%	1.25%	to	1.40%	30.40%	to	30.59%
	2012	704	\$23.37	to	\$27.47	\$18,967	2.09%	1.25%	to	1.40%	14.27%	to	14.45%
	2011	795	\$20.42	to	\$24.04	\$18,731	1.84%	1.25%	to	1.40%	0.63%	to	0.79%
Fidelity® VIP Investment Grade Bond Portfolio - Initial Class													
	2015	22			\$22.36	\$491	2.53%			1.40%			-1.97%
	2014	24			\$22.81	\$536	2.15%			1.40%			4.35%
	2013	27			\$21.86	\$582	2.17%			1.40%			-3.15%
	2012	31			\$22.57	\$708	2.35%			1.40%			4.39%
	2011	34			\$21.62	\$741	2.98%			1.40%			5.82%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

Fund	Fund	Units	Unit Fair Value		Net Assets	Investment		Expense Ratio <sup>C</sup>		Total Return <sup>D</sup>			
	Inception Date <sup>A</sup>		(000's)	(lowest to highest)		(000's)	Income Ratio <sup>B</sup>	(lowest to highest)	(lowest to highest)				
Franklin Small Cap Value VIP Fund - Class 2													
	2015	107	\$16.05	to	\$27.45	\$2,294	0.60%	0.10%	to	1.50%	-8.78%	to	-7.46%
	2014	125	\$17.45	to	\$29.86	\$2,999	0.59%	0.10%	to	1.50%	-0.92%	to	-0.11%
	2013	133	\$17.47	to	\$29.92	\$3,461	1.34%	0.70%	to	1.50%	34.24%	to	35.26%
	2012	126	\$12.92	to	\$22.12	\$2,681	0.77%	0.70%	to	1.50%	16.60%	to	17.56%
	2011	153	\$10.99	to	\$18.83	\$2,787	0.71%	0.70%	to	1.50%	-5.17%	to	-4.43%
Janus Aspen Series Balanced Portfolio - Institutional Shares													
	2015	-	\$17.83		\$8	-		1.00%			-0.39%		
	2014	-	\$17.90		\$8	-		1.00%			7.44%		
	2013	-	\$16.66		\$8	(e)		1.00%			(e)		
	2012	-	\$43.50		\$7	-		0.75%			12.78%		
	2011	-	\$38.57		\$14	-		0.75%			0.86%		
Lord Abbett Series Fund - Mid Cap Stock Portfolio - Class VC													
	2015	92	\$16.77	to	\$24.42	\$1,746	0.58%	0.10%	to	1.50%	-5.21%	to	-3.87%
	2014	103	\$17.55	to	\$25.62	\$2,038	0.44%	0.10%	to	1.50%	9.87%	to	11.11%
	2013	111	\$15.85	to	\$23.19	\$2,031	0.41%	0.35%	to	1.50%	28.34%	to	29.91%
	2012	126	\$12.25	to	\$17.97	\$1,878	0.61%	0.35%	to	1.50%	12.88%	to	14.09%
	2011	159	\$10.77	to	\$15.83	\$2,073	0.22%	0.35%	to	1.50%	-5.45%	to	-4.37%
Oppenheimer Discovery Mid Cap Growth Fund/VA													
	2015	7	\$15.37	to	\$19.85	\$114	-	0.80%	to	1.25%	5.27%	to	5.75%
	2014	12	\$14.60	to	\$18.77	\$193	-	0.80%	to	1.25%	4.51%	to	4.98%
	2013	29	\$13.97	to	\$17.88	\$426	-	0.80%	to	1.25%	34.20%	to	34.84%
	2012	13	\$10.41	to	\$13.26	\$145	-	0.80%	to	1.25%	15.03%	to	15.51%
	2011	14	\$9.05	to	\$11.48	\$136	-	0.80%	to	1.25%	-0.11%	to	0.35%
Oppenheimer Global Fund/VA													
	2015	-	\$16.64		\$5	-		1.00%			2.91%		
	2014	1	\$16.17		\$23	-		1.00%			1.25%		
	2013	1	\$15.97		\$23	(e)		1.00%			(e)		
	2012	1	\$27.14		\$19	-		0.75%			20.35%		
	2011	2	\$22.55		\$47	1.82%		0.75%			-8.96%		

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	Fund Inception Date <sup>A</sup>	Units (000's)	Unit Fair Value		Net Assets (000's)	Investment Income Ratio <sup>B</sup>		Expense Ratio <sup>C</sup>		Total Return <sup>D</sup>			
			(lowest to highest)	(lowest to highest)		(lowest to highest)	(lowest to highest)	(lowest to highest)	(lowest to highest)				
Oppenheimer Main Street Fund®/VA													
	2015	18	\$16.22	to	\$19.70	\$314	0.92%	0.80%	to	1.25%	2.01%	to	2.55%
	2014	20	\$15.90	to	\$19.21	\$338	0.89%	0.80%	to	1.25%	9.35%	to	9.77%
	2013	22	\$14.54	to	\$17.50	\$337	0.96%	0.80%	to	1.25%	30.17%	to	30.69%
	2012	24	\$11.17	to	\$13.39	\$288	1.08%	0.80%	to	1.25%	15.39%	to	15.93%
	2011	26	\$9.68	to	\$11.55	\$267	0.72%	0.80%	to	1.25%	-1.33%	to	-0.77%
Oppenheimer Main Street Small Cap Fund®/VA													
	2015	65	\$18.95	to	\$22.37	\$1,352	0.92%	0.10%	to	1.25%	-7.06%	to	-5.99%
	2014	55	\$20.28	to	\$23.95	\$1,251	0.79%	0.10%	to	1.50%	10.25%	to	11.18%
	2013	50	\$18.24	to	\$21.55	\$1,033	1.00%	0.70%	to	1.50%	38.93%	to	39.98%
	2012	50	\$13.03	to	\$15.40	\$765	0.59%	0.70%	to	1.50%	16.23%	to	17.18%
	2011	46	\$11.12	to	\$13.15	\$599	0.68%	0.70%	to	1.50%	-3.62%	to	-2.88%
PIMCO Real Return Portfolio - Administrative Class													
	2015	183	\$12.08	to	\$14.91	\$2,482	3.90%	0.10%	to	1.50%	-4.14%	to	-2.83%
	2014	211	\$12.51	to	\$15.44	\$3,002	1.49%	0.10%	to	1.50%	1.57%	to	2.37%
	2013	255	\$12.22	to	\$15.09	\$3,588	1.07%	0.70%	to	1.50%	-10.58%	to	-9.82%
	2012	562	\$13.55	to	\$16.74	\$9,299	1.07%	0.70%	to	1.50%	7.10%	to	7.97%
	2011	513	\$12.55	to	\$15.51	\$7,882	4.86%	0.70%	to	1.50%	10.07%	to	10.87%
Pioneer Emerging Markets VCT Portfolio - Class I													
	2015	95	\$6.06	to	\$6.38	\$595	4.79%	0.10%	to	1.25%	-16.41%	to	-15.50%
	2014	89	\$7.22	to	\$7.55	\$658	0.59%	0.10%	to	1.25%	-13.69%	to	-13.13%
	2013	120	\$8.32	to	\$8.68	\$1,028	0.78%	0.70%	to	1.25%	-3.23%	to	-2.58%
	2012	172	\$8.54	to	\$8.93	\$1,525	0.63%	0.70%	to	1.25%	10.57%	to	11.21%
	2011	129	\$7.68	to	\$8.03	\$1,027	0.30%	0.70%	to	1.50%	-24.51%	to	-23.96%
Pioneer High Yield VCT Portfolio - Class I													
	2015	37	\$14.89	to	\$17.32	\$584	4.72%	0.10%	to	1.50%	-5.37%	to	-4.05%
	2014	69	\$15.61	to	\$18.16	\$1,154	5.26%	0.10%	to	1.50%	-1.41%	to	-0.57%
	2013	37	\$15.70	to	\$18.28	\$634	5.55%	0.70%	to	1.50%	10.38%	to	11.27%
	2012	35	\$14.11	to	\$16.44	\$556	9.87%	0.70%	to	1.50%	14.40%	to	15.21%
	2011	30	\$12.25	to	\$14.27	\$417	6.31%	0.70%	to	1.50%	-3.16%	to	-2.31%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>		
Voya Balanced Portfolio - Class I												
2015		2,066	\$12.24	to \$50.11	\$58,918	1.99%	0.10%	to	2.25%	-4.08%	to	-1.92%
2014		2,364	\$12.76	to \$51.54	\$68,867	1.64%	0.10%	to	2.25%	3.82%	to	5.46%
2013		2,686	\$12.29	to \$48.98	\$74,157	2.12%	0.35%	to	2.25%	14.11%	to	16.24%
2012		2,537	\$10.77	to \$42.36	\$67,751	3.12%	0.35%	to	2.25%	11.15%	to	13.23%
2011		2,912	\$9.69	to \$37.63	\$68,784	2.77%	0.35%	to	2.25%	-3.49%	to	-1.66%
Voya Intermediate Bond Portfolio - Class I												
2015		4,656	\$13.81	to \$107.92	\$98,386	3.45%	0.10%	to	2.25%	-1.63%	to	0.48%
2014		4,837	\$13.83	to \$108.47	\$103,349	3.22%	0.10%	to	2.25%	4.32%	to	6.30%
2013		5,191	\$13.05	to \$102.81	\$105,513	3.30%	0.35%	to	2.25%	-2.36%	to	-0.45%
2012		5,306	\$13.16	to \$104.07	\$114,638	4.71%	0.35%	to	2.25%	6.97%	to	8.94%
2011		4,984	\$12.12	to \$96.19	\$101,540	4.48%	0.35%	to	2.25%	5.17%	to	7.24%
Voya Global Perspectives Portfolio - Class A												
2015		14	\$9.92	to \$10.00	\$143	2.46%	0.95%	to	1.40%	-4.98%	-	-4.58%
2014	2/28/2014	17	\$10.44	to \$10.48	\$182	(c)	0.95%	to	1.40%		(c)	
2013		(c)	(c)	(c)	(c)	(c)	(c)	to	(c)		(c)	
2012		(c)	(c)	(c)	(c)	(c)	(c)	to	(c)		(c)	
2011		(c)	(c)	(c)	(c)	(c)	(c)	to	(c)		(c)	
Voya Global Perspectives Portfolio - Class I												
2015		4		\$9.87	\$42	2.11%		to	0.10%			-3.42%
2014	7/29/2014	5	\$10.13	to \$10.22	\$53	(c)	0.10%	to	1.50%		(c)	
2013		(c)	(c)	(c)	(c)	(c)	(c)	to	(c)		(c)	
2012		(c)	(c)	(c)	(c)	(c)	(c)	to	(c)		(c)	
2011		(c)	(c)	(c)	(c)	(c)	(c)	to	(c)		(c)	
Voya High Yield Portfolio - Service Class												
2015		201	\$16.21	to \$18.03	\$3,420	5.41%	0.10%	to	1.40%	-3.38%	to	-2.13%
2014		250	\$16.66	to \$18.53	\$4,416	6.35%	0.10%	to	1.40%	-0.23%	to	0.48%
2013		250	\$16.58	to \$18.46	\$4,441	5.97%	0.70%	to	1.40%	4.11%	to	4.87%
2012		291	\$15.81	to \$17.61	\$4,999	6.32%	0.70%	to	1.50%	12.30%	to	13.25%
2011		277	\$13.96	to \$15.56	\$4,207	7.25%	0.70%	to	1.50%	2.85%	to	3.66%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	Fund Inception Date <sup>A</sup>	Units (000's)	Unit Fair Value		Net Assets (000's)	Investment Income Ratio <sup>B</sup>		Expense Ratio <sup>C</sup>		Total Return <sup>D</sup>			
			(lowest to highest)			Ratio <sup>B</sup>		(lowest to highest)		(lowest to highest)			
Voya Large Cap Growth Portfolio - Institutional Class													
2015		5,191	\$18.07	to	\$27.87	\$127,018	0.56%	0.10%	to	1.90%	4.36%	to	6.27%
2014		5,880	\$17.24	to	\$26.45	\$137,277	0.43%	0.10%	to	1.90%	11.48%	to	13.20%
2013		5,464	\$15.41	to	\$23.50	\$115,292	0.76%	0.35%	to	1.90%	28.67%	to	30.56%
2012		2,369	\$11.94	to	\$18.12	\$37,320	0.49%	0.35%	to	1.75%	16.02%	to	17.69%
2011		2,074	\$10.27	to	\$15.49	\$27,275	0.47%	0.35%	to	1.75%	0.69%	to	1.51%
Voya Large Cap Value Portfolio - Institutional Class													
2015		575	\$12.36	to	\$16.95	\$8,185	1.74%	0.10%	to	1.50%	-5.86%	to	-4.56%
2014		709	\$13.13	to	\$17.76	\$10,688	2.16%	0.10%	to	1.50%	8.42%	to	9.69%
2013		571	\$12.11	to	\$16.05	\$7,884	2.04%	0.35%	to	1.50%	28.97%	to	30.46%
2012		532	\$9.39	to	\$12.18	\$5,325	2.48%	0.35%	to	1.50%	13.00%	to	14.26%
2011		541	\$8.31	to	\$10.66	\$4,756	1.39%	0.35%	to	1.50%	1.96%	to	3.19%
Voya Large Cap Value Portfolio - Service Class													
2015		174	\$14.59	to	\$15.19	\$2,617	2.14%	0.95%	to	1.75%	-6.35%	-	-5.53%
2014		88	\$15.80	to	\$16.08	\$1,401	1.60%	0.95%	to	1.40%	8.22%	to	8.65%
2013		134	\$14.60	to	\$14.80	\$1,976	1.76%	0.95%	to	1.40%	28.86%	to	29.37%
2012		86	\$11.33	to	\$11.44	\$978	2.41%	0.95%	to	1.40%	12.74%	to	13.27%
2011	1/21/2011	43	\$10.05	to	\$10.10	\$431	(a)	0.95%	to	1.40%		(a)	
Voya Multi-Manager Large Cap Core Portfolio - Institutional Class													
2015		433	\$15.24	to	\$18.56	\$7,762	0.96%	0.10%	to	2.25%	-2.56%	to	-0.41%
2014		500	\$15.18	to	\$18.80	\$9,091	1.21%	0.10%	to	2.25%	12.76%	to	14.41%
2013		580	\$13.62	to	\$16.46	\$9,272	0.96%	0.75%	to	2.25%	27.72%	to	29.79%
2012		613	\$10.56	to	\$12.72	\$7,594	1.53%	0.75%	to	2.25%	8.06%	to	9.65%
2011		700	\$9.67	to	\$11.62	\$7,951	1.45%	0.75%	to	2.25%	-6.42%	to	-5.06%
Voya Retirement Conservative Portfolio - Adviser Class													
2015		224	\$11.21	to	\$11.48	\$2,542	1.55%	0.95%	to	1.45%	-2.26%	-	-1.71%
2014		258	\$11.49	to	\$11.68	\$2,993	2.87%	0.95%	to	1.40%	4.45%	to	4.85%
2013		316	\$11.00	to	\$11.14	\$3,496	3.65%	0.95%	to	1.40%	2.90%	to	3.44%
2012		185	\$10.69	to	\$10.77	\$1,983	2.90%	0.95%	to	1.40%	6.37%	to	6.85%
2011	6/16/2011	84	\$10.05	to	\$10.08	\$846	(a)	0.95%	to	1.40%		(a)	

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>			
Voya Retirement Growth Portfolio - Adviser Class													
	2015	309	\$12.02	to	\$13.51	\$4,082	1.73%	0.95%	to	1.40%	-3.46%	to	-2.95%
	2014	329	\$12.44	to	\$13.92	\$4,491	1.51%	0.95%	to	1.40%	3.84%	to	4.27%
	2013	395	\$11.98	to	\$13.35	\$5,195	1.97%	0.95%	to	1.40%	16.98%	to	17.52%
	2012	404	\$10.24	to	\$11.36	\$4,536	2.35%	0.95%	to	1.40%	11.34%	to	11.92%
	2011	453	\$9.19	to	\$10.15	\$4,575	0.89%	0.95%	to	1.40%	-2.52%	to	-2.12%
Voya Retirement Moderate Growth Portfolio - Adviser Class													
	2015	245	\$11.91	to	\$13.58	\$3,257	1.56%	0.95%	to	1.45%	-3.02%	to	-2.58%
	2014	269	\$12.28	to	\$13.94	\$3,679	1.65%	0.95%	to	1.40%	4.21%	to	4.73%
	2013	331	\$11.78	to	\$13.31	\$4,340	2.12%	0.95%	to	1.40%	14.04%	to	14.64%
	2012	394	\$10.33	to	\$11.61	\$4,529	2.78%	0.95%	to	1.40%	10.10%	to	10.47%
	2011	511	\$9.38	to	\$10.51	\$5,336	0.97%	0.95%	to	1.40%	-1.33%	to	-0.85%
Voya Retirement Moderate Portfolio - Adviser Class													
	2015	341	\$11.46	to	\$13.10	\$4,363	0.85%	0.95%	to	1.40%	-2.96%	to	-2.53%
	2014	398	\$11.81	to	\$13.44	\$5,251	2.90%	0.95%	to	1.40%	3.72%	to	4.27%
	2013	453	\$11.38	to	\$12.89	\$5,774	2.71%	0.95%	to	1.40%	8.48%	to	8.96%
	2012	428	\$10.49	to	\$11.83	\$5,002	3.18%	0.95%	to	1.40%	8.70%	to	9.23%
	2011	593	\$9.65	to	\$10.83	\$6,382	1.37%	0.95%	to	1.40%	0.66%	to	1.12%
Voya U.S. Stock Index Portfolio - Service Class													
	2015	4			\$19.83	\$86	1.16%			0.75%			0.15%
	2014	4			\$19.80	\$87	1.18%			0.75%			12.24%
	2013	5			\$17.64	\$82	1.32%			0.75%			30.76%
	2012	5			\$13.49	\$70	1.57%			0.75%			14.61%
	2011	5			\$11.77	\$57	1.71%			0.75%			0.86%
VY® BlackRock Inflation Protected Bond Portfolio - Institutional Class													
	2015	28			\$11.23	\$315	1.25%			0.75%			-3.11%
	2014	28			\$11.59	\$325	1.54%			0.75%			2.02%
	2013	29			\$11.36	\$325	-			0.75%			-9.19%
	2012	29			\$12.51	\$365	0.87%			0.75%			5.93%
	2011	28			\$11.81	\$328	2.56%			0.75%			11.31%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	Fund Inception Date <sup>A</sup>	Units (000's)	Unit Fair Value (lowest to highest)		Net Assets (000's)	Investment		Expense Ratio <sup>C</sup>		Total Return <sup>D</sup>		
						Income Ratio <sup>B</sup>		(lowest to highest)		(lowest to highest)		
VY® BlackRock Inflation Protected Bond Portfolio - Service Class												
2015		190	\$9.77	to \$9.98	\$1,874	1.28%		0.95%	to 1.40%	-4.03%	-	-3.57%
2014		214	\$10.18	to \$10.35	\$2,195	1.28%		0.95%	to 1.40%	1.09%	to	1.57%
2013		277	\$10.07	to \$10.19	\$2,803	-		0.95%	to 1.40%	-9.93%	to	-9.58%
2012		492	\$11.18	to \$11.27	\$5,523	0.61%		0.95%	to 1.40%	4.88%	to	5.33%
2011	5/11/2011	317	\$10.66	to \$10.70	\$3,386	(a)		0.95%	to 1.40%		(a)	
VY® Clarion Global Real Estate Portfolio - Institutional Class												
2015		139	\$13.35	to \$14.60	\$1,926	3.00%		0.10%	to 1.25%	-2.63%	to	-1.55%
2014		156	\$13.71	to \$14.83	\$2,211	1.34%		0.10%	to 1.25%	12.65%	to	13.32%
2013		146	\$12.17	to \$12.54	\$1,815	5.80%		0.70%	to 1.25%	2.61%	to	3.21%
2012		158	\$11.73	to \$12.15	\$1,906	0.74%		0.70%	to 1.50%	24.26%	to	25.26%
2011		165	\$9.44	to \$9.70	\$1,590	3.61%		0.70%	to 1.50%	-6.63%	to	-5.83%
VY® Clarion Global Real Estate Portfolio - Service Class												
2015		54	\$13.97	to \$14.60	\$774	3.06%		0.95%	to 1.40%	-3.05%	to	-2.60%
2014		67	\$14.41	to \$14.99	\$988	1.13%		0.95%	to 1.40%	12.31%	to	12.79%
2013		86	\$12.83	to \$13.29	\$1,129	5.39%		0.95%	to 1.40%	2.23%	to	2.70%
2012		89	\$12.55	to \$12.94	\$1,133	0.60%		0.95%	to 1.40%	23.89%	to	24.42%
2011		84	\$10.13	to \$10.40	\$858	3.30%		0.95%	to 1.40%	-6.64%	to	-6.14%
VY® Clarion Real Estate Portfolio - Service Class												
2015		225	\$16.29	to \$19.32	\$4,168	1.24%		0.10%	to 1.50%	1.43%	to	2.82%
2014		255	\$16.06	to \$18.79	\$4,564	1.16%		0.10%	to 1.50%	28.20%	to	28.98%
2013		202	\$12.80	to \$14.39	\$2,704	1.36%		0.70%	to 1.25%	0.79%	to	1.31%
2012		233	\$12.49	to \$13.76	\$3,041	0.98%		0.70%	to 1.50%	13.86%	to	14.76%
2011		218	\$10.94	to \$11.99	\$2,480	1.30%		0.70%	to 1.50%	7.87%	to	8.74%
VY® FMR Diversified Mid Cap Portfolio - Institutional Class												
2015		662	\$16.00	to \$16.72	\$10,760	0.39%		0.95%	to 1.40%	-2.79%	to	-2.34%
2014		802	\$16.39	to \$17.12	\$13,380	0.41%		0.95%	to 1.45%	4.73%	to	5.22%
2013		965	\$15.65	to \$16.27	\$15,358	0.71%		0.95%	to 1.45%	34.45%	to	35.13%
2012		1,072	\$11.41	to \$12.04	\$12,661	0.86%		0.95%	to 1.75%	12.97%	to	13.80%
2011		1,250	\$10.10	to \$10.58	\$13,010	0.20%		0.95%	to 1.75%	-12.33%	to	-11.54%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

Fund Inception Date <sup>A</sup>	Units (000's)	Unit Fair Value (lowest to highest)		Net Assets (000's)	Investment		Expense Ratio <sup>C</sup>		Total Return <sup>D</sup>		
					Income Ratio <sup>B</sup>		(lowest to highest)		(lowest to highest)		
VY® FMR Diversified Mid Cap Portfolio - Service Class											
2015	71	\$16.48	to \$22.20	\$1,426	0.12%	0.10%	to 1.50%	-3.12%	to -1.70%		
2014	97	\$16.88	to \$22.74	\$1,968	0.23%	0.10%	to 1.50%	4.44%	to 5.30%		
2013	122	\$16.03	to \$21.61	\$2,426	0.50%	0.70%	to 1.50%	34.02%	to 35.05%		
2012	99	\$11.87	to \$16.01	\$1,551	0.66%	0.70%	to 1.50%	12.93%	to 13.81%		
2011	108	\$10.43	to \$14.07	\$1,494	0.23%	0.70%	to 1.50%	-12.26%	to -11.54%		
VY® Franklin Income Portfolio - Service Class											
2015	381	\$11.42	to \$14.17	\$5,050	4.70%	0.95%	to 1.40%	-7.69%	to -7.26%		
2014	432	\$12.37	to \$15.28	\$6,191	3.74%	0.95%	to 1.75%	3.19%	to 4.02%		
2013	431	\$11.95	to \$14.69	\$6,040	5.17%	0.95%	to 1.75%	12.64%	to 13.52%		
2012	391	\$10.57	to \$12.94	\$4,905	5.65%	0.95%	to 1.75%	10.65%	to 11.55%		
2011	381	\$9.52	to \$11.60	\$4,340	5.57%	0.95%	to 1.75%	0.73%	to 1.58%		
VY® Invesco Growth and Income Portfolio - Service Class											
2015	56	\$16.58	to \$18.54	\$978	3.27%	0.10%	to 1.50%	-4.41%	to -3.06%		
2014	58	\$17.20	to \$19.24	\$1,041	1.23%	0.10%	to 1.50%	8.48%	to 9.35%		
2013	65	\$15.73	to \$17.61	\$1,080	1.55%	0.70%	to 1.50%	31.89%	to 32.97%		
2012	56	\$11.83	to \$13.25	\$729	1.90%	0.70%	to 1.50%	12.91%	to 13.75%		
2011	74	\$10.40	to \$11.65	\$854	1.17%	0.70%	to 1.50%	-3.65%	to -2.80%		
VY® JPMorgan Emerging Markets Equity Portfolio - Institutional Class											
2015	110	\$14.41	to \$14.63	\$1,593	1.52%	1.25%	to 1.40%	-16.75%	to -16.64%		
2014	136	\$17.31	to \$17.55	\$2,362	0.90%	1.25%	to 1.40%	-0.29%	to -0.11%		
2013	294	\$13.41	to \$17.57	\$4,523	1.10%	0.95%	to 1.40%	-6.82%	to -6.40%		
2012	355	\$14.39	to \$18.83	\$5,881	-	0.95%	to 1.40%	17.66%	to 18.25%		
2011	401	\$11.99	to \$15.98	\$5,594	1.14%	0.95%	to 1.75%	-19.48%	to -18.82%		
VY® JPMorgan Emerging Markets Equity Portfolio - Service Class											
2015	532	\$9.00	to \$18.40	\$6,190	1.23%	0.10%	to 1.50%	-17.04%	to -15.91%		
2014	563	\$10.77	to \$22.02	\$7,745	1.04%	0.10%	to 1.50%	-0.58%	to 0.28%		
2013	349	\$10.74	to \$21.98	\$6,281	0.79%	0.70%	to 1.50%	-7.12%	to -6.45%		
2012	335	\$11.48	to \$23.50	\$7,616	-	0.70%	to 1.50%	17.35%	to 18.35%		
2011	312	\$9.70	to \$19.87	\$6,010	0.89%	0.70%	to 1.50%	-19.51%	to -18.90%		

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>			
VY® JPMorgan Small Cap Core Equity Portfolio - Institutional Class													
	2015	141	\$14.61	to	\$23.46	\$2,711	0.51%	0.95%	to	1.40%	-4.82%	to	-4.36%
	2014	150	\$15.35	to	\$24.53	\$3,194	0.57%	0.95%	to	1.40%	7.07%	to	7.59%
	2013	157	\$14.33	to	\$22.80	\$3,107	0.94%	0.95%	to	1.75%	36.92%	to	38.01%
	2012	148	\$10.43	to	\$16.52	\$2,220	0.41%	0.95%	to	1.75%	16.87%	to	17.83%
	2011	158	\$8.89	to	\$14.02	\$2,181	0.66%	0.95%	to	1.75%	-2.78%	to	-1.96%
VY® JPMorgan Small Cap Core Equity Portfolio - Service Class													
	2015	47	\$19.22	to	\$23.14	\$998	0.19%	0.10%	to	1.50%	-5.11%	to	-3.76%
	2014	48	\$20.09	to	\$24.21	\$1,091	0.33%	0.10%	to	1.50%	7.01%	to	7.61%
	2013	35	\$18.67	to	\$22.51	\$749	0.84%	0.70%	to	1.25%	37.17%	to	37.99%
	2012	13	\$13.53	to	\$16.32	\$207	-	0.70%	to	1.50%	17.24%	to	17.86%
	2011	14	\$11.48	to	\$13.85	\$187	0.39%	0.70%	to	1.25%	-2.55%	to	-2.05%
VY® T. Rowe Price Capital Appreciation Portfolio - Service Class													
	2015	1,516	\$14.97	to	\$22.79	\$29,174	1.33%	0.10%	to	1.50%	3.65%	to	5.14%
	2014	1,428	\$14.43	to	\$21.82	\$26,434	1.35%	0.10%	to	1.50%	10.49%	to	11.35%
	2013	1,301	\$13.06	to	\$19.60	\$22,726	1.17%	0.70%	to	1.50%	20.31%	to	21.33%
	2012	1,065	\$10.84	to	\$16.16	\$15,801	1.69%	0.70%	to	1.50%	12.79%	to	13.77%
	2011	900	\$9.61	to	\$14.22	\$12,364	1.91%	0.70%	to	1.50%	1.35%	to	2.11%
VY® T. Rowe Price Equity Income Portfolio - Service Class													
	2015	295	\$13.96	to	\$22.79	\$5,095	2.04%	0.10%	to	1.50%	-8.28%	to	-6.97%
	2014	319	\$15.21	to	\$24.66	\$5,965	1.78%	0.10%	to	1.50%	5.86%	to	6.68%
	2013	383	\$14.36	to	\$23.12	\$6,855	1.71%	0.70%	to	1.50%	27.82%	to	28.88%
	2012	335	\$11.22	to	\$17.96	\$5,210	1.92%	0.70%	to	1.50%	15.47%	to	16.32%
	2011	438	\$9.68	to	\$15.44	\$5,626	2.00%	0.70%	to	1.50%	-2.41%	to	-1.50%
VY® T. Rowe Price International Stock Portfolio - Service Class													
	2015	181	\$10.46	to	\$15.95	\$2,301	0.98%	0.10%	to	1.40%	-2.37%	to	-1.08%
	2014	199	\$10.64	to	\$16.22	\$2,586	1.12%	0.10%	to	1.45%	-2.57%	to	-1.85%
	2013	232	\$10.84	to	\$16.53	\$3,113	1.02%	0.70%	to	1.45%	12.69%	to	13.63%
	2012	255	\$9.54	to	\$14.56	\$3,179	0.27%	0.70%	to	1.50%	17.02%	to	17.92%
	2011	325	\$8.09	to	\$12.35	\$3,476	3.52%	0.70%	to	1.50%	-13.67%	to	-13.01%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>			
VY® Templeton Global Growth Portfolio - Service Class													
	2015	29	\$11.62	to	\$12.14	\$348	2.99%	0.95%	to	1.40%	-8.86%	to	-8.45%
	2014	35	\$12.75	to	\$13.26	\$456	1.38%	0.95%	to	1.40%	-4.14%	to	-3.70%
	2013	41	\$13.30	to	\$13.77	\$562	1.32%	0.95%	to	1.40%	28.88%	to	29.42%
	2012	33	\$10.32	to	\$10.64	\$349	1.86%	0.95%	to	1.40%	20.00%	to	20.63%
	2011	34	\$8.60	to	\$8.82	\$297	1.60%	0.95%	to	1.40%	-7.03%	to	-6.67%
Voya Money Market Portfolio - Class I													
	2015	3,275	\$9.61	to	\$15.68	\$41,143	-	0.10%	to	1.90%	-1.84%	to	-0.10%
	2014	3,740	\$9.71	to	\$15.80	\$47,372	-	0.10%	to	1.90%	-1.90%	to	-0.40%
	2013	4,149	\$9.77	to	\$15.92	\$52,709	-	0.35%	to	1.90%	-1.74%	to	-0.30%
	2012	5,212	\$9.84	to	\$16.03	\$68,966	0.03%	0.35%	to	1.75%	-1.71%	to	-0.30%
	2011	6,156	\$9.91	to	\$16.15	\$82,585	-	0.35%	to	1.75%	-1.77%	to	-0.40%
Voya Money Market Portfolio - Class S													
	2015	5	\$9.55		\$44	-		0.75%			-0.73%		
	2014	5	\$9.62		\$45	-		0.75%			-0.82%		
	2013	8	\$9.70		\$77	-		0.75%			-0.72%		
	2012	8	\$9.77		\$74	-		0.75%			-0.71%		
	2011	28	\$9.84		\$273	-		0.75%			-0.71%		
Voya Global Bond Portfolio - Initial Class													
	2015	1,370	\$11.53	to	\$13.58	\$17,581	-	0.10%	to	2.25%	-6.44%	to	-4.42%
	2014	1,659	\$12.13	to	\$14.31	\$22,507	0.82%	0.10%	to	2.25%	-1.82%	to	0.00%
	2013	1,927	\$12.17	to	\$14.37	\$26,454	2.03%	0.35%	to	2.25%	-6.15%	to	-4.31%
	2012	2,338	\$12.76	to	\$15.08	\$34,048	5.98%	0.35%	to	2.25%	5.47%	to	7.53%
	2011	2,756	\$11.91	to	\$14.09	\$37,677	7.33%	0.35%	to	2.25%	1.43%	to	3.33%
Voya Global Bond Portfolio - Service Class													
	2015	5	\$12.54		\$66	-		1.25%			-5.64%		
	2014	6	\$13.29		\$79	-		1.25%			-1.12%		
	2013	7	\$13.44		\$95	1.72%		1.25%			-5.49%		
	2012	10	\$14.22		\$137	4.95%		1.25%			6.28%		
	2011	11	\$13.38		\$146	13.79%		1.25%			2.22%		

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>		<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>		<b>Total Return<sup>D</sup> (lowest to highest)</b>			
Voya Solution 2025 Portfolio - Service Class													
2015		270	\$13.65	to	\$15.27	\$3,800	3.40%	0.10%	to	1.50%	-1.54%	to	-0.43%
2014		276	\$13.76	to	\$15.40	\$3,909	2.12%	0.35%	to	1.50%	3.99%	to	5.22%
2013		255	\$13.13	to	\$14.70	\$3,450	2.22%	0.35%	to	1.50%	14.56%	to	15.90%
2012		219	\$11.36	to	\$12.73	\$2,664	2.61%	0.35%	to	1.50%	11.81%	to	12.99%
2011		201	\$10.09	to	\$11.31	\$2,159	1.93%	0.35%	to	1.50%	-4.53%	to	-3.40%
Voya Solution 2035 Portfolio - Service Class													
2015		490	\$14.01	to	\$15.93	\$7,035	3.12%	0.10%	to	1.25%	-1.76%	to	-0.54%
2014		476	\$14.18	to	\$15.37	\$6,894	2.01%	0.10%	to	1.25%	4.34%	to	5.29%
2013		444	\$13.51	to	\$15.38	\$6,162	1.91%	0.35%	to	1.50%	18.89%	to	19.98%
2012		368	\$11.30	to	\$12.87	\$4,430	2.07%	0.35%	to	1.25%	13.67%	to	14.64%
2011		325	\$9.89	to	\$11.27	\$3,402	1.59%	0.35%	to	1.25%	-5.79%	to	-4.92%
Voya Solution 2045 Portfolio - Service Class													
2015		284	\$14.06	to	\$16.32	\$4,076	3.07%	0.10%	to	1.50%	-2.46%	to	-1.07%
2014		225	\$14.30	to	\$16.60	\$3,274	1.70%	0.10%	to	1.50%	4.54%	to	5.38%
2013		195	\$13.57	to	\$15.76	\$2,739	1.64%	0.70%	to	1.50%	21.56%	to	22.58%
2012		154	\$11.07	to	\$12.87	\$1,784	1.93%	0.70%	to	1.50%	13.76%	to	14.72%
2011		141	\$9.65	to	\$11.23	\$1,424	1.18%	0.35%	to	1.50%	-6.56%	to	-5.41%
Voya Solution Income Portfolio - Service Class													
2015		228	\$13.22	to	\$14.47	\$3,158	1.50%	0.10%	to	1.50%	-1.40%	to	0.00%
2014		76	\$13.30	to	\$14.56	\$1,099	2.52%	0.10%	to	1.25%	4.44%	to	4.97%
2013		83	\$12.67	to	\$13.88	\$1,127	3.10%	0.70%	to	1.25%	5.64%	to	6.29%
2012		93	\$11.92	to	\$13.07	\$1,197	5.11%	0.70%	to	1.25%	8.45%	to	9.01%
2011		91	\$10.94	to	\$11.99	\$1,072	3.38%	0.70%	to	1.25%	-0.94%	to	-0.36%
Voya Solution Moderately Aggressive Portfolio - Service Class													
2015	8/14/2015	20	\$9.56	to	\$9.58	\$189	(d)	0.95%	to	1.40%		(d)	
2014		(d)		(d)		(d)	(d)		(d)			(d)	
2013		(d)		(d)		(d)	(d)		(d)			(d)	
2012		(d)		(d)		(d)	(d)		(d)			(d)	
2011		(d)		(d)		(d)	(d)		(d)			(d)	

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>		
VY® American Century Small-Mid Cap Value Portfolio - Service Class												
	2015	127	\$20.31	to \$32.48	\$2,823	1.60%	0.10%	to	1.25%	-2.93%	to	-1.84%
	2014	138	\$20.81	to \$33.37	\$3,190	1.21%	0.10%	to	1.50%	10.79%	to	12.08%
	2013	123	\$18.63	to \$29.95	\$2,769	1.16%	0.35%	to	1.50%	29.71%	to	30.86%
	2012	104	\$14.28	to \$23.02	\$1,878	1.11%	0.35%	to	1.25%	14.91%	to	15.94%
	2011	110	\$12.36	to \$19.97	\$1,740	0.95%	0.35%	to	1.25%	-4.36%	to	-3.46%
VY® Baron Growth Portfolio - Service Class												
	2015	245	\$14.29	to \$32.43	\$4,849	0.23%	0.10%	to	1.50%	-6.43%	to	-5.12%
	2014	293	\$15.26	to \$34.48	\$6,303	0.07%	0.10%	to	1.50%	2.77%	to	3.59%
	2013	359	\$14.84	to \$33.36	\$7,548	1.29%	0.70%	to	1.50%	36.82%	to	37.91%
	2012	258	\$10.84	to \$24.25	\$4,561	-	0.70%	to	1.50%	17.89%	to	18.82%
	2011	248	\$9.18	to \$20.46	\$3,850	-	0.70%	to	1.50%	0.69%	to	1.54%
VY® Columbia Contrarian Core Portfolio - Service Class												
	2015	135	\$15.08	to \$19.68	\$2,297	0.88%	0.10%	to	1.50%	1.46%	to	2.92%
	2014	150	\$14.85	to \$22.46	\$2,473	0.79%	0.10%	to	1.50%	11.13%	to	12.03%
	2013	176	\$13.35	to \$20.10	\$2,612	1.41%	0.70%	to	1.50%	32.73%	to	33.85%
	2012	182	\$10.05	to \$15.06	\$2,062	0.29%	0.70%	to	1.50%	10.60%	to	11.44%
	2011	201	\$9.05	to \$13.54	\$2,042	1.03%	0.70%	to	1.50%	-6.12%	to	-5.31%
VY® Columbia Small Cap Value II Portfolio - Service Class												
	2015	48	\$14.66	to \$17.66	\$744	0.28%	0.10%	to	1.50%	-4.43%	to	-3.02%
	2014	42	\$15.46	to \$18.21	\$683	0.15%	0.10%	to	1.40%	2.86%	to	3.63%
	2013	40	\$15.03	to \$17.37	\$621	0.96%	0.70%	to	1.40%	38.02%	to	38.93%
	2012	38	\$10.89	to \$11.38	\$419	0.23%	0.75%	to	1.40%	12.62%	to	13.35%
	2011	45	\$9.67	to \$10.04	\$446	0.52%	0.75%	to	1.40%	-4.07%	to	-3.37%
VY® Invesco Comstock Portfolio - Service Class												
	2015	60	\$16.79	to \$22.86	\$1,087	2.12%	0.10%	to	1.50%	-7.34%	to	-6.07%
	2014	75	\$17.99	to \$24.55	\$1,459	2.04%	0.10%	to	1.50%	7.51%	to	8.37%
	2013	68	\$16.60	to \$22.71	\$1,289	0.84%	0.70%	to	1.50%	33.00%	to	34.09%
	2012	58	\$12.38	to \$16.98	\$862	1.19%	0.70%	to	1.50%	16.82%	to	17.79%
	2011	64	\$10.51	to \$14.45	\$813	1.37%	0.70%	to	1.50%	-3.51%	to	-2.78%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>		
VY® Invesco Equity and Income Portfolio - Initial Class												
	2015	3,908	\$16.38	to \$18.25	\$68,652	2.18%	0.10%	to	1.75%	-3.75%	to	-2.16%
	2014	4,454	\$16.84	to \$18.78	\$80,865	1.86%	0.10%	to	1.75%	7.05%	to	8.55%
	2013	3,140	\$15.56	to \$17.37	\$52,976	1.40%	0.35%	to	1.75%	22.76%	to	24.59%
	2012	3,462	\$12.54	to \$14.03	\$47,507	2.28%	0.35%	to	1.75%	10.85%	to	12.31%
	2011	4,118	\$11.20	to \$12.56	\$50,725	2.13%	0.35%	to	1.75%	-2.86%	to	-1.39%
VY® JPMorgan Mid Cap Value Portfolio - Service Class												
	2015	140	\$19.86	to \$34.39	\$3,458	0.60%	0.10%	to	1.50%	-4.48%	to	-3.16%
	2014	150	\$20.62	to \$35.80	\$3,877	0.87%	0.10%	to	1.50%	13.29%	to	14.57%
	2013	134	\$18.06	to \$31.44	\$3,218	0.63%	0.35%	to	1.50%	29.54%	to	31.11%
	2012	110	\$13.83	to \$24.13	\$2,176	0.74%	0.35%	to	1.50%	18.26%	to	19.63%
	2011	111	\$11.60	to \$20.29	\$1,872	0.88%	0.35%	to	1.50%	0.29%	to	1.47%
VY® Oppenheimer Global Portfolio - Initial Class												
	2015	3,564	\$16.34	to \$20.15	\$67,773	1.50%	0.10%	to	1.90%	2.19%	to	4.06%
	2014	3,939	\$15.80	to \$19.54	\$72,781	1.15%	0.10%	to	1.90%	0.34%	to	1.95%
	2013	4,579	\$15.55	to \$19.28	\$83,809	1.35%	0.35%	to	1.90%	24.68%	to	26.69%
	2012	5,210	\$12.32	to \$15.31	\$77,309	1.28%	0.35%	to	1.90%	19.40%	to	21.26%
	2011	5,948	\$10.20	to \$12.70	\$73,458	1.50%	0.35%	to	1.90%	-9.84%	to	-8.41%
VY® Pioneer High Yield Portfolio - Initial Class												
	2015	778	\$16.11	to \$18.33	\$12,897	5.37%	0.10%	to	1.50%	-6.06%	to	-4.73%
	2014	901	\$16.81	to \$19.37	\$15,880	5.04%	0.10%	to	1.75%	-1.41%	to	-0.36%
	2013	1,012	\$17.05	to \$19.44	\$17,988	4.97%	0.70%	to	1.75%	10.36%	to	11.54%
	2012	1,074	\$15.45	to \$17.44	\$17,097	6.01%	0.70%	to	1.75%	14.19%	to	15.46%
	2011	1,172	\$13.53	to \$15.12	\$16,258	5.71%	0.70%	to	1.75%	-2.45%	to	-1.40%
VY® T. Rowe Price Diversified Mid Cap Growth Portfolio - Initial Class												
	2015	1,863	\$19.48	to \$24.32	\$42,681	-	0.10%	to	1.50%	0.46%	to	1.89%
	2014	2,048	\$19.22	to \$24.07	\$46,522	0.26%	0.10%	to	1.50%	10.18%	to	11.48%
	2013	2,349	\$17.31	to \$21.73	\$48,397	0.29%	0.35%	to	1.75%	32.79%	to	34.73%
	2012	2,619	\$12.90	to \$16.23	\$41,061	0.50%	0.35%	to	1.75%	14.15%	to	15.68%
	2011	3,031	\$11.18	to \$14.11	\$41,422	0.34%	0.35%	to	1.75%	-5.45%	to	-4.06%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

Fund Inception Date <sup>A</sup>	Units (000's)	Unit Fair Value (lowest to highest)		Net Assets (000's)	Investment		Expense Ratio <sup>C</sup>		Total Return <sup>D</sup>		
					Income Ratio <sup>B</sup>		(lowest to highest)		(lowest to highest)		
VY® T. Rowe Price Growth Equity Portfolio - Initial Class											
2015	1,026	\$17.28	to \$55.47	\$38,458	-	0.10%	to 1.50%	9.16%	to 10.72%		
2014	1,034	\$15.81	to \$50.77	\$37,050	-	0.10%	to 1.50%	7.08%	to 8.31%		
2013	1,072	\$14.76	to \$47.38	\$37,679	0.02%	0.35%	to 1.50%	37.20%	to 38.78%		
2012	1,093	\$10.75	to \$34.50	\$29,888	0.16%	0.35%	to 1.50%	17.13%	to 18.53%		
2011	1,207	\$9.17	to \$29.43	\$28,652	-	0.35%	to 1.50%	-2.57%	to -1.45%		
VY® Templeton Foreign Equity Portfolio - Initial Class											
2015	1,331	\$8.89	to \$11.35	\$12,870	4.09%	0.10%	to 1.90%	-5.22%	to -3.40%		
2014	1,468	\$9.38	to \$11.75	\$14,838	2.50%	0.10%	to 1.90%	-8.31%	to -6.94%		
2013	1,607	\$10.23	to \$12.52	\$17,537	1.46%	0.35%	to 1.90%	17.99%	to 19.83%		
2012	1,929	\$8.67	to \$10.34	\$17,443	1.57%	0.35%	to 1.90%	16.53%	to 18.44%		
2011	1,868	\$7.44	to \$8.73	\$14,333	1.94%	0.35%	to 1.90%	-13.59%	to -12.26%		
Voya Strategic Allocation Conservative Portfolio - Class I											
2015	273	\$14.11	to \$26.24	\$6,108	3.36%	0.10%	to 1.50%	-1.69%	to -0.27%		
2014	290	\$14.24	to \$26.50	\$6,582	2.63%	0.10%	to 1.50%	5.05%	to 6.26%		
2013	348	\$13.45	to \$25.04	\$7,505	2.52%	0.35%	to 1.50%	10.41%	to 11.34%		
2012	357	\$12.08	to \$22.50	\$6,993	2.74%	0.70%	to 1.50%	10.68%	to 11.54%		
2011	430	\$10.83	to \$20.19	\$7,590	4.58%	0.70%	to 1.50%	0.28%	to 1.12%		
Voya Strategic Allocation Growth Portfolio - Class I											
2015	465	\$11.93	to \$28.11	\$8,840	2.65%	0.10%	to 2.25%	-3.40%	to -1.25%		
2014	474	\$12.35	to \$28.66	\$9,374	2.07%	0.10%	to 2.25%	4.22%	to 6.14%		
2013	474	\$11.85	to \$27.09	\$9,730	1.65%	0.35%	to 2.25%	19.70%	to 22.04%		
2012	421	\$9.90	to \$22.30	\$7,948	1.54%	0.35%	to 2.25%	12.37%	to 14.57%		
2011	457	\$8.81	to \$19.54	\$7,550	2.72%	0.35%	to 2.25%	-5.06%	to -3.28%		
Voya Strategic Allocation Moderate Portfolio - Class I											
2015	383	\$12.41	to \$26.90	\$7,962	2.96%	0.10%	to 2.25%	-2.82%	to -0.67%		
2014	463	\$12.77	to \$27.26	\$9,616	2.41%	0.10%	to 2.25%	4.33%	to 6.29%		
2013	499	\$12.24	to \$25.74	\$10,224	2.12%	0.35%	to 2.25%	13.97%	to 16.22%		
2012	530	\$10.74	to \$22.25	\$9,615	2.15%	0.35%	to 2.25%	11.07%	to 13.23%		
2011	592	\$9.67	to \$19.73	\$9,597	3.47%	0.35%	to 2.25%	-2.72%	to -0.94%		

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>			
Voya Growth and Income Portfolio - Class A													
2015		97	\$15.66		\$1,517	1.50%			1.25%		-3.03%		
2014		112	\$16.15		\$1,814	1.53%			1.25%		8.83%		
2013		124	\$14.84		\$1,846	0.87%			1.25%		28.48%		
2012		138	\$11.55		\$1,591	1.38%			1.25%		13.79%		
2011	1/21/2011	157	\$10.15		\$1,594	(a)			1.25%		(a)		
Voya Growth and Income Portfolio - Class I													
2015		6,987	\$10.80	to	\$459.99	\$215,524	1.97%	0.10%	to	2.25%	-3.57%	to	-1.52%
2014		8,057	\$11.20	to	\$471.05	\$244,610	1.94%	0.10%	to	2.25%	8.21%	to	10.32%
2013		8,983	\$10.35	to	\$429.48	\$248,811	1.36%	0.35%	to	2.25%	27.78%	to	30.26%
2012		8,089	\$8.10	to	\$331.80	\$198,559	1.82%	0.35%	to	2.25%	13.29%	to	15.30%
2011		9,359	\$7.15	to	\$289.30	\$198,743	1.24%	0.35%	to	2.25%	-2.59%	to	-0.57%
Voya Emerging Markets Index Portfolio - Class I													
2015		4	\$7.96	to	\$8.11	\$31	12.12%	0.10%	to	1.25%			(e)
2014	8/5/2014	-	\$9.59		\$2		(c)		0.10%				(c)
2013		(c)	(c)		(c)		(c)		(c)				(c)
2012		(c)	(c)		(c)		(c)		(c)				(c)
2011		(c)	(c)		(c)		(c)		(c)				(c)
Voya Euro STOXX 50® Index Portfolio - Class I													
2015		4	\$10.11		\$44		2.22%			0.75%			-4.98%
2014		4	\$10.64		\$46		4.35%			0.75%			-9.83%
2013		4	\$11.80		\$46		4.65%			0.75%			25.13%
2012		4	\$9.43		\$40		5.41%			0.75%			21.52%
2011		4	\$7.76		\$34		2.94%			0.75%			-17.62%
Voya Global Value Advantage Portfolio - Class I													
2015	3/9/2015	288	\$9.31	to	\$9.44	\$2,698	(d)	0.10%	to	1.50%			(d)
2014		(d)	(d)		(d)		(d)			(d)			(d)
2013		(d)	(d)		(d)		(d)			(d)			(d)
2012		(d)	(d)		(d)		(d)			(d)			(d)
2011		(d)	(d)		(d)		(d)			(d)			(d)

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>		<b>Total Return<sup>D</sup> (lowest to highest)</b>	
Voya Global Value Advantage Portfolio - Class S										
2015	3/9/2015	119	\$9.16	to \$9.25	\$1,090	(d)	0.95%	to 1.40%	(d)	
2014		(d)	(d)	(d)	(d)	(d)	(d)	(d)	(d)	
2013		(d)	(d)	(d)	(d)	(d)	(d)	(d)	(d)	
2012		(d)	(d)	(d)	(d)	(d)	(d)	(d)	(d)	
2011		(d)	(d)	(d)	(d)	(d)	(d)	(d)	(d)	
Voya Index Plus LargeCap Portfolio - Class I										
2015		2,793	\$12.70	to \$34.72	\$61,663	1.62%	0.10%	to 2.25%	-1.40%	to 0.71%
2014		3,091	\$12.85	to \$34.69	\$68,972	1.48%	0.10%	to 2.25%	11.32%	to 13.41%
2013		3,587	\$11.49	to \$30.70	\$71,271	1.85%	0.35%	to 2.25%	30.00%	to 32.49%
2012		4,010	\$8.79	to \$23.27	\$62,530	1.68%	0.35%	to 2.25%	11.81%	to 14.01%
2011		4,686	\$7.82	to \$20.48	\$64,463	1.92%	0.35%	to 2.25%	-2.21%	to -0.38%
Voya Index Plus MidCap Portfolio - Class I										
2015		293	\$17.65	to \$40.14	\$6,902	1.00%	0.10%	to 1.50%	-3.25%	to -1.90%
2014		328	\$18.10	to \$41.20	\$7,906	0.82%	0.10%	to 1.50%	7.93%	to 9.18%
2013		357	\$16.64	to \$37.90	\$8,351	1.34%	0.35%	to 1.50%	32.57%	to 34.07%
2012		374	\$12.45	to \$28.40	\$9,658	0.92%	0.35%	to 1.50%	15.93%	to 17.30%
2011		403	\$10.65	to \$24.32	\$8,915	0.81%	0.35%	to 1.50%	-2.62%	to -1.46%
Voya Index Plus SmallCap Portfolio - Class I										
2015		173	\$17.28	to \$28.45	\$3,613	0.95%	0.10%	to 1.50%	-4.66%	to -3.30%
2014		193	\$17.98	to \$29.63	\$4,193	0.59%	0.10%	to 1.50%	3.87%	to 5.07%
2013		216	\$17.17	to \$28.33	\$4,581	0.93%	0.35%	to 1.50%	40.56%	to 42.22%
2012		186	\$12.12	to \$20.01	\$3,348	0.61%	0.35%	to 1.50%	10.71%	to 11.98%
2011		219	\$10.86	to \$17.95	\$3,572	0.76%	0.35%	to 1.50%	-2.20%	to -1.08%
Voya International Index Portfolio - Class I										
2015		868	\$8.66	to \$16.84	\$12,589	3.20%	0.10%	to 1.75%	-2.63%	to -1.00%
2014		921	\$8.87	to \$17.16	\$14,009	1.15%	0.10%	to 1.75%	-7.56%	to -6.56%
2013		580	\$9.57	to \$18.41	\$8,699	2.27%	0.70%	to 1.75%	19.33%	to 20.59%
2012		627	\$8.00	to \$15.31	\$7,856	2.86%	0.70%	to 1.75%	16.65%	to 17.88%
2011		687	\$6.84	to \$13.02	\$7,623	2.73%	0.70%	to 1.75%	-13.75%	to -12.75%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>		
Voya International Index Portfolio - Class S												
2015		1	\$14.81		\$9	5.00%	1.25%					-2.31%
2014		7	\$15.16		\$111	0.82%	1.25%					-7.39%
2013		8	\$16.37		\$134	-	1.25%					19.66%
2012		1	\$13.68		\$16	4.00%	1.25%					17.02%
2011		3	\$11.69		\$34	2.30%	1.25%					-13.54%
Voya Russell™ Large Cap Growth Index Portfolio - Class I												
2015		1,134	\$21.62	to \$27.26	\$26,934	1.18%	0.10%	to 1.75%	5.75%	to 7.49%		
2014		1,259	\$20.24	to \$25.36	\$28,067	1.28%	0.10%	to 1.75%	11.08%	to 12.33%		
2013		1,444	\$18.03	to \$22.32	\$28,735	1.46%	0.70%	to 1.75%	29.68%	to 31.06%		
2012		1,669	\$13.76	to \$16.58	\$25,455	1.21%	0.70%	to 1.75%	12.48%	to 13.72%		
2011		1,853	\$12.11	to \$14.60	\$24,962	1.27%	0.70%	to 1.75%	2.39%	to 3.48%		
Voya Russell™ Large Cap Index Portfolio - Class I												
2015		731	\$14.92	to \$24.72	\$16,537	1.69%	0.10%	to 2.25%	-0.18%	to 1.98%		
2014		791	\$14.83	to \$24.45	\$17,991	1.58%	0.10%	to 2.25%	10.42%	to 12.10%		
2013		844	\$13.33	to \$21.86	\$17,423	1.62%	0.70%	to 2.25%	29.12%	to 31.14%		
2012		907	\$10.25	to \$16.71	\$14,334	2.54%	0.70%	to 2.25%	12.97%	to 14.70%		
2011		1,047	\$9.00	to \$14.60	\$14,736	1.78%	0.75%	to 2.25%	0.29%	to 1.76%		
Voya Russell™ Large Cap Value Index Portfolio - Class I												
2015		2,927	\$9.70	to \$22.15	\$39,307	0.49%	0.10%	to 1.75%	-5.15%	to -3.56%		
2014		324	\$10.89	to \$23.18	\$7,158	1.56%	0.10%	to 1.75%	10.43%	to 11.62%		
2013		385	\$16.69	to \$20.81	\$7,738	1.70%	0.75%	to 1.75%	29.56%	to 30.90%		
2012		473	\$12.75	to \$15.94	\$7,317	1.90%	0.75%	to 1.75%	14.18%	to 15.28%		
2011		526	\$11.06	to \$13.84	\$7,094	1.74%	0.75%	to 1.75%	-0.95%	to 0.09%		
Voya Russell™ Large Cap Value Index Portfolio - Class S												
2015		62	\$21.15	to \$21.36	\$1,308	1.34%	1.25%	to 1.40%	-5.11%	to -4.98%		
2014		81	\$22.29	to \$22.48	\$1,817	1.38%	1.25%	to 1.40%	10.68%	to 10.79%		
2013		75	\$20.14	to \$20.29	\$1,517	1.43%	1.25%	to 1.40%	29.60%	to 29.81%		
2012		82	\$15.54	to \$15.63	\$1,276	1.72%	1.25%	to 1.40%	14.35%	to 14.51%		
2011		94	\$13.59	to \$13.65	\$1,283	1.55%	1.25%	to 1.40%	-0.88%	to -0.66%		

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**

**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>			<b>Total Return<sup>D</sup> (lowest to highest)</b>			
Voya Russell™ Mid Cap Growth Index Portfolio - Class S													
	2015	42	\$24.72	to	\$26.61	\$1,090	0.74%	0.70%	to	1.50%	-2.29%	to	-1.51%
	2014	60	\$25.30	to	\$27.09	\$1,595	0.15%	0.70%	to	1.50%	9.48%	to	10.34%
	2013	45	\$23.11	to	\$24.63	\$1,080	0.75%	0.70%	to	1.50%	32.89%	to	33.86%
	2012	45	\$17.39	to	\$17.88	\$795	0.29%	0.75%	to	1.50%	13.73%	to	14.69%
	2011	37	\$15.29	to	\$15.59	\$576	0.64%	0.75%	to	1.50%	-3.65%	to	-2.93%
Voya Russell™ Mid Cap Index Portfolio - Class I													
	2015	78	\$16.05	to	\$20.80	\$1,451	1.19%	0.10%	to	1.25%	-4.01%	to	-2.89%
	2014	81	\$16.72	to	\$21.57	\$1,582	0.59%	0.10%	to	1.25%	11.24%	to	11.90%
	2013	47	\$15.03	to	\$19.28	\$789	0.96%	0.70%	to	1.25%	32.54%	to	33.28%
	2012	55	\$11.34	to	\$14.48	\$667	1.03%	0.75%	to	1.25%	15.60%	to	16.21%
	2011	48	\$9.81	to	\$12.46	\$500	1.58%	0.75%	to	1.25%	-3.06%	to	-2.63%
Voya Russell™ Small Cap Index Portfolio - Class I													
	2015	81	\$15.79	to	\$19.01	\$1,385	1.20%	0.10%	to	1.25%	-5.73%	to	-4.63%
	2014	80	\$16.75	to	\$20.06	\$1,447	0.95%	0.10%	to	1.25%	3.65%	to	4.15%
	2013	63	\$16.16	to	\$19.26	\$1,082	1.36%	0.75%	to	1.25%	37.07%	to	37.71%
	2012	67	\$11.79	to	\$13.99	\$831	0.71%	0.75%	to	1.25%	14.58%	to	15.17%
	2011	53	\$10.29	to	\$12.15	\$571	1.06%	0.75%	to	1.25%	-5.16%	to	-4.63%
Voya Small Company Portfolio - Class I													
	2015	650	\$17.86	to	\$51.49	\$23,383	0.51%	0.10%	to	1.90%	-2.63%	to	-0.84%
	2014	739	\$18.13	to	\$52.29	\$27,287	0.35%	0.10%	to	1.90%	4.49%	to	6.16%
	2013	854	\$17.14	to	\$49.45	\$30,613	0.51%	0.35%	to	1.90%	35.18%	to	37.30%
	2012	927	\$12.53	to	\$36.16	\$25,858	0.41%	0.35%	to	1.90%	12.32%	to	14.13%
	2011	1,068	\$11.02	to	\$31.82	\$26,266	0.41%	0.35%	to	1.90%	-4.35%	to	-2.87%
Voya U.S. Bond Index Portfolio - Class I													
	2015	101	\$11.67	to	\$13.46	\$1,249	2.32%	0.10%	to	1.50%	-1.25%	to	0.15%
	2014	114	\$11.73	to	\$13.44	\$1,425	1.80%	0.10%	to	1.50%	4.17%	to	4.98%
	2013	106	\$11.18	to	\$12.65	\$1,240	1.95%	0.70%	to	1.50%	-4.01%	to	-3.24%
	2012	101	\$11.56	to	\$12.66	\$1,220	1.66%	0.70%	to	1.50%	2.31%	to	3.12%
	2011	211	\$11.21	to	\$12.28	\$2,504	2.21%	0.70%	to	1.50%	5.59%	to	6.50%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>		<b>Total Return<sup>D</sup> (lowest to highest)</b>				
Voya MidCap Opportunities Portfolio - Class I													
	2015	305	\$12.39	to	\$27.18	\$5,451	-	0.10%	to	1.75%	-1.27%	to	0.43%
	2014	334	\$12.55	to	\$27.24	\$5,968	0.39%	0.10%	to	1.75%	6.90%	to	8.45%
	2013	401	\$11.74	to	\$32.78	\$6,779	0.05%	0.35%	to	1.75%	29.99%	to	31.05%
	2012	102	\$14.14	to	\$19.25	\$1,899	0.53%	0.70%	to	1.50%	12.78%	to	13.39%
	2011	111	\$12.47	to	\$22.17	\$1,849	-	0.70%	to	1.25%	-1.77%	to	-1.19%
Voya MidCap Opportunities Portfolio - Class S													
	2015	151	\$13.71	to	\$22.93	\$3,014	-	0.95%	to	1.40%	-1.15%	to	-0.69%
	2014	151	\$13.87	to	\$23.09	\$3,108	0.35%	0.95%	to	1.40%	7.01%	to	7.55%
	2013	195	\$12.96	to	\$21.47	\$3,805	-	0.95%	to	1.40%	29.85%	to	30.44%
	2012	219	\$9.98	to	\$16.46	\$3,372	0.41%	0.95%	to	1.40%	12.26%	to	12.82%
	2011	247	\$8.89	to	\$14.59	\$3,438	-	0.95%	to	1.45%	-2.26%	to	-1.75%
Voya SmallCap Opportunities Portfolio - Class I													
	2015	85	\$16.79	to	\$29.89	\$1,647	-	0.10%	to	1.25%	-2.16%	to	-1.02%
	2014	61	\$17.16	to	\$30.45	\$1,175	-	0.10%	to	1.25%	4.32%	to	4.88%
	2013	67	\$16.45	to	\$29.11	\$1,196	-	0.70%	to	1.25%	37.31%	to	38.02%
	2012	71	\$11.98	to	\$21.13	\$898	-	0.70%	to	1.25%	13.77%	to	14.42%
	2011	69	\$10.53	to	\$18.52	\$767	-	0.70%	to	1.25%	-0.38%	to	0.17%
Voya SmallCap Opportunities Portfolio - Class S													
	2015	138	\$14.43	to	\$16.11	\$2,107	-	0.95%	to	1.40%	-2.52%	to	-2.07%
	2014	164	\$14.80	to	\$16.45	\$2,559	-	0.95%	to	1.40%	3.83%	to	4.38%
	2013	197	\$14.25	to	\$15.76	\$2,973	-	0.95%	to	1.45%	36.73%	to	37.40%
	2012	208	\$10.42	to	\$11.47	\$2,297	-	0.95%	to	1.45%	13.19%	to	13.79%
	2011	211	\$9.19	to	\$10.08	\$2,075	-	0.95%	to	1.45%	-0.83%	to	-0.40%
Wanger International													
	2015	169	\$11.48	to	\$14.32	\$2,155	1.49%	0.10%	to	1.50%	-1.37%	to	0.00%
	2014	188	\$11.64	to	\$14.32	\$2,421	1.52%	0.10%	to	1.50%	-5.83%	to	-5.06%
	2013	196	\$12.36	to	\$14.91	\$2,587	2.73%	0.70%	to	1.50%	20.59%	to	21.45%
	2012	163	\$10.25	to	\$11.89	\$1,742	1.22%	0.70%	to	1.50%	19.74%	to	20.71%
	2011	193	\$8.56	to	\$9.85	\$1,705	4.82%	0.70%	to	1.50%	-15.91%	to	-15.16%

**VARIABLE ANNUITY ACCOUNT B OF  
VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY**  
**Notes to Financial Statements**

	<b>Fund Inception Date<sup>A</sup></b>	<b>Units (000's)</b>	<b>Unit Fair Value (lowest to highest)</b>		<b>Net Assets (000's)</b>	<b>Investment Income Ratio<sup>B</sup></b>	<b>Expense Ratio<sup>C</sup> (lowest to highest)</b>		<b>Total Return<sup>D</sup> (lowest to highest)</b>	
Wanger Select										
2015		119	\$15.57	to \$22.17	\$2,219	-	0.10%	to 1.50%	-1.22%	to 0.18%
2014		151	\$15.64	to \$22.28	\$2,770	-	0.10%	to 1.50%	1.58%	to 2.42%
2013		141	\$15.27	to \$21.76	\$2,884	0.29%	0.70%	to 1.50%	32.55%	to 33.60%
2012		163	\$11.43	to \$16.29	\$2,636	0.44%	0.70%	to 1.50%	16.74%	to 17.59%
2011		170	\$9.72	to \$13.86	\$2,332	2.16%	0.70%	to 1.50%	-18.91%	to -18.25%
Wanger USA										
2015		51	\$18.04	to \$23.09	\$1,015	-	0.10%	to 1.50%	-2.08%	to -0.68%
2014		50	\$18.28	to \$23.40	\$1,013	-	0.10%	to 1.50%	3.20%	to 4.10%
2013		60	\$17.56	to \$22.50	\$1,247	0.09%	0.70%	to 1.50%	31.80%	to 32.83%
2012		53	\$13.22	to \$16.95	\$880	0.38%	0.70%	to 1.50%	18.15%	to 19.11%
2011		50	\$11.10	to \$14.23	\$705	-	0.70%	to 1.50%	-4.88%	to -4.15%

- (a) As investment Division had no investments until 2011, this data is not meaningful and is therefore not presented.  
(b) As investment Division had no investments until 2012, this data is not meaningful and is therefore not presented.  
(c) As investment Division had no investments until 2014, this data is not meaningful and is therefore not presented.  
(d) As investment Division had no investments until 2015, this data is not meaningful and is therefore not presented.  
(e) As investment Division is wholly comprised of new contracts at the end of the year, this data is not meaningful and is therefore not presented.

**A** The Fund Inception Date represents the first date the fund received money.

**B** The Investment Income Ratio represents dividends received by the Division, excluding capital gains distributions, divided by the average net assets. The recognition of investments income is determined by the timing of declaration of dividends by the underlying fund in which the Division invests.

**C** The Expense Ratio considers only the annualized contract expenses borne directly by the Account, excluding expenses charged through the redemption of units, and is equal to the mortality and expense, administrative, and other charges, as defined in the Charges and Fees note. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.

**D** Total Return is calculated as the change in unit value for each Contract presented in the Statements of Assets and Liabilities. Certain items in this table are presented as a range of minimum and maximum values; however, such information is calculated independently for each column in the table.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**

	<b><u>Page</u></b>
Report of Independent Registered Public Accounting Firm	C-2
Consolidated Financial Statements as of December 31, 2015 and 2014 and for the Years Ended December 31, 2015, 2014 and 2013:	
Consolidated Balance Sheets as of December 31, 2015 and 2014	C-3
Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013	C-5
Consolidated Statements of Comprehensive Income for the years ended December 31, 2015, 2014 and 2013	C-6
Consolidated Statements of Changes in Shareholder's Equity for the years ended December 31, 2015, 2014 and 2013	C-7
Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013	C-8
Notes to Consolidated Financial Statements	C-10

## **Report of Independent Registered Public Accounting Firm**

The Board of Directors  
Voya Retirement Insurance and Annuity Company

We have audited the accompanying consolidated balance sheets of Voya Retirement Insurance and Annuity Company and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, changes in shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits include consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Voya Retirement Insurance and Annuity Company and subsidiaries at December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Boston, Massachusetts  
March 18, 2016

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Consolidated Balance Sheets**  
**December 31, 2015 and 2014**  
(In millions, except share and per share data)

	<b>As of December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost of \$20,747.1 as of 2015 and \$19,085.0 as of 2014)	\$ 21,211.6	\$ 20,655.6
Fixed maturities, at fair value using the fair value option	798.0	725.7
Equity securities, available-for-sale, at fair value (cost of \$116.7 as of 2015 and \$107.4 as of 2014)	131.3	121.9
Short-term investments	—	241.5
Mortgage loans on real estate, net of valuation allowance of \$1.2 as of 2015 and \$1.1 as of 2014	3,729.1	3,513.0
Policy loans	229.8	239.1
Limited partnerships/corporations	298.5	248.4
Derivatives	450.3	562.0
Securities pledged (amortized cost of \$252.3 as of 2015 and \$224.4 as of 2014)	249.2	235.3
Total investments	27,097.8	26,542.5
Cash and cash equivalents	661.1	481.2
Short-term investments under securities loan agreements, including collateral delivered	241.5	325.4
Accrued investment income	295.3	285.2
Reinsurance recoverable	1,838.8	1,929.5
Deferred policy acquisition costs, Value of business acquired and Sales inducements to contract owners	1,244.7	939.1
Notes receivable from affiliate	175.0	175.0
Current income tax recoverable	10.5	10.1
Due from affiliates	56.0	60.6
Property and equipment	71.3	74.8
Other assets	167.0	170.0
Assets held in separate accounts	58,910.6	62,808.1
Total assets	<u>\$ 90,769.6</u>	<u>\$ 93,801.5</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Consolidated Balance Sheets**  
**December 31, 2015 and 2014**  
(In millions, except share and per share data)

	<b>As of December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Liabilities and Shareholder's Equity</b>		
Future policy benefits and contract owner account balances	\$ 27,068.0	\$ 25,129.9
Payable for securities purchased	52.5	12.1
Payables under securities loan agreements, including collateral held	541.3	617.1
Long-term debt	4.9	4.9
Due to affiliates	132.2	111.1
Derivatives	115.1	217.0
Deferred income taxes	133.0	367.5
Other liabilities	443.0	572.0
Liabilities related to separate accounts	58,910.6	62,808.1
Total liabilities	87,400.6	89,839.7
Commitments and Contingencies (Note 13)		
Shareholder's equity:		
Common stock (100,000 shares authorized, 55,000 issued and outstanding as of 2015 and 2014; \$50 par value per share)	2.8	2.8
Additional paid-in capital	3,272.6	3,583.9
Accumulated other comprehensive income (loss)	386.8	841.5
Retained earnings (deficit)	(293.2)	(466.4)
Total shareholder's equity	3,369.0	3,961.8
Total liabilities and shareholder's equity	\$ 90,769.6	\$ 93,801.5

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Consolidated Statements of Operations**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
(In millions)

	Year Ended December 31,		
	2015	2014	2013
<b>Revenues:</b>			
Net investment income	\$ 1,409.8	\$ 1,389.4	\$ 1,367.0
Fee income	765.3	784.1	744.3
Premiums	657.1	88.8	37.3
Broker-dealer commission revenue	229.7	244.9	242.1
Net realized capital gains (losses):			
Total other-than-temporary impairments	(44.7)	(7.1)	(9.4)
Less: Portion of other-than-temporary impairments recognized in Other comprehensive income (loss)	1.2	—	(3.5)
Net other-than-temporary impairments recognized in earnings	(45.9)	(7.1)	(5.9)
Other net realized capital gains (losses)	(231.3)	(132.5)	(136.3)
Total net realized capital gains (losses)	(277.2)	(139.6)	(142.2)
Other revenue	(1.6)	4.4	(1.8)
Total revenues	2,783.1	2,372.0	2,246.7
<b>Benefits and expenses:</b>			
Interest credited and other benefits to contract owners/ policyholders	1,422.3	927.8	747.1
Operating expenses	772.5	783.9	708.7
Broker-dealer commission expense	229.7	244.9	242.1
Net amortization of Deferred policy acquisition costs and Value of business acquired	132.6	109.2	58.3
Total benefits and expenses	2,557.1	2,065.8	1,756.2
Income (loss) before income taxes	226.0	306.2	490.5
Income tax expense (benefit)	52.8	74.5	207.0
Net income (loss)	\$ 173.2	\$ 231.7	\$ 283.5

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
(In millions)

	Year Ended December 31,		
	2015	2014	2013
Net income (loss)	\$ 173.2	\$ 231.7	\$ 283.5
Other comprehensive income (loss), before tax:			
Unrealized gains/losses on securities	(693.4)	531.8	(907.4)
Other-than-temporary impairments	2.8	5.1	2.7
Pension and other postretirement benefits liability	(2.3)	(2.2)	(2.2)
Other comprehensive income (loss), before tax	(692.9)	534.7	(906.9)
Income tax expense (benefit) related to items of other comprehensive income (loss)	(238.2)	188.6	(379.3)
Other comprehensive income (loss), after tax	(454.7)	346.1	(527.6)
Comprehensive income (loss)	\$ (281.5)	\$ 577.8	\$ (244.1)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Consolidated Statements of Changes in Shareholder's Equity**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
(In millions)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholder's Equity
Balance as of January 1, 2013	\$ 2.8	\$ 4,217.2	\$ 1,023.0	\$ (981.6)	\$ 4,261.4
Comprehensive income (loss):					
Net income (loss)	—	—	—	283.5	283.5
Other comprehensive income (loss), after tax	—	—	(527.6)	—	(527.6)
Total comprehensive income (loss)					(244.1)
Dividends paid and distributions of capital	—	(264.0)	—	—	(264.0)
Employee related benefits	—	0.1	—	—	0.1
Balance as of December 31, 2013	2.8	3,953.3	495.4	(698.1)	3,753.4
Comprehensive income (loss):					
Net income (loss)	—	—	—	231.7	231.7
Other comprehensive income (loss), after tax	—	—	346.1	—	346.1
Total comprehensive income (loss)					577.8
Dividends paid and distributions of capital	—	(371.0)	—	—	(371.0)
Employee related benefits	—	1.6	—	—	1.6
Balance as of December 31, 2014	2.8	3,583.9	841.5	(466.4)	3,961.8
Comprehensive income (loss):					
Net income (loss)	—	—	—	173.2	173.2
Other comprehensive income (loss), after tax	—	—	(454.7)	—	(454.7)
Total comprehensive income (loss)					(281.5)
Dividends paid and distributions of capital	—	(321.0)	—	—	(321.0)
Employee related benefits	—	9.7	—	—	9.7
Balance as of December 31, 2015	<u>\$ 2.8</u>	<u>\$ 3,272.6</u>	<u>\$ 386.8</u>	<u>\$ (293.2)</u>	<u>\$ 3,369.0</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
(In millions)

	Year Ended December 31,		
	2015	2014	2013
<b>Cash Flows from Operating Activities:</b>			
Net income (loss)	\$ 173.2	\$ 231.7	\$ 283.5
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Capitalization of deferred policy acquisition costs, value of business acquired and sales inducements	(83.5)	(77.4)	(79.5)
Net amortization of deferred policy acquisition costs, value of business acquired and sales inducements	133.9	110.9	60.1
Net accretion/amortization of discount/premium	7.1	9.6	24.4
Future policy benefits, claims reserves and interest credited	1,193.5	616.7	559.9
Deferred income tax (benefit) expense	(1.3)	(11.2)	62.3
Net realized capital losses	277.2	139.6	142.2
Depreciation	3.6	3.6	3.6
Change in:			
Accrued investment income	(10.1)	(0.2)	(12.0)
Reinsurance recoverable	90.7	87.1	137.1
Other receivables and asset accruals	2.0	(59.0)	(7.3)
Due to/from affiliates	25.7	(8.2)	63.4
Other payables and accruals	(56.8)	71.0	(114.9)
Other, net	0.2	(10.6)	(18.5)
Net cash provided by operating activities	<u>1,755.4</u>	<u>1,103.6</u>	<u>1,104.3</u>
<b>Cash Flows from Investing Activities:</b>			
Proceeds from the sale, maturity, disposal or redemption of:			
Fixed maturities	3,372.8	3,071.1	3,618.7
Equity securities, available-for-sale	17.4	14.1	0.7
Mortgage loans on real estate	557.2	504.6	270.9
Limited partnerships/corporations	47.8	43.9	35.1
Acquisition of:			
Fixed maturities	(5,257.7)	(3,300.6)	(4,368.6)
Equity securities, available-for-sale	(28.0)	—	(9.2)
Mortgage loans on real estate	(773.3)	(621.3)	(794.2)
Limited partnerships/corporations	(95.7)	(103.1)	(20.0)
Derivatives, net	(46.7)	(25.2)	(276.6)
Policy loans, net	9.3	2.9	(1.1)
Short-term investments, net	241.5	(226.4)	664.9
Collateral received (delivered), net	8.1	163.1	(38.5)
Purchases of fixed assets, net	(0.1)	—	(0.2)
Net cash used in investing activities	<u>(1,947.4)</u>	<u>(476.9)</u>	<u>(918.1)</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
(In millions)

	Year Ended December 31,		
	2015	2014	2013
<b>Cash Flows from Financing Activities:</b>			
Deposits received for investment contracts	\$ 3,195.1	\$ 2,355.5	\$ 2,723.4
Maturities and withdrawals from investment contracts	(2,439.7)	(2,580.4)	(2,709.3)
Receipts on deposit contracts	—	124.7	87.1
Settlements on deposit contracts	(63.2)	(54.9)	(7.9)
Excess tax benefits on share-based compensation	0.7	1.7	—
Dividends paid and return of capital distribution	(321.0)	(371.0)	(264.0)
Net cash provided by (used in) financing activities	<u>371.9</u>	<u>(524.4)</u>	<u>(170.7)</u>
Net increase in cash and cash equivalents	179.9	102.3	15.5
Cash and cash equivalents, beginning of period	481.2	378.9	363.4
Cash and cash equivalents, end of period	<u>\$ 661.1</u>	<u>\$ 481.2</u>	<u>\$ 378.9</u>
<b>Supplemental cash flow information:</b>			
Income taxes paid (received), net	\$ 54.2	\$ 168.3	\$ 102.6
Interest paid	0.1	—	—

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

## **1. Business, Basis of Presentation and Significant Accounting Policies**

### ***Business***

Voya Retirement Insurance and Annuity Company ("VRIAC") is a stock life insurance company domiciled in the State of Connecticut. VRIAC and its wholly owned subsidiaries (collectively, "the Company") provide financial products and services in the United States. VRIAC is authorized to conduct its insurance business in all states and in the District of Columbia and in Guam, Puerto Rico and the Virgin Islands.

Prior to May 2013, Voya Financial, Inc., together with its subsidiaries, including the Company was an indirect, wholly owned subsidiary of ING Groep N.V. ("ING Group" or "ING"), a global financial services holding company based in The Netherlands, with American Depository Shares listed on the New York Stock Exchange. In 2009, ING Group announced the anticipated separation of its global banking and insurance businesses, including the divestiture of Voya Financial, Inc., together with its subsidiaries, including the Company. On April 11, 2013, Voya Financial, Inc. announced plans to rebrand as Voya Financial. On May 2, 2013, the common stock of Voya Financial, Inc. began trading on the New York Stock Exchange under the symbol "VOYA." On May 7, 2013 and May 31, 2013, Voya Financial, Inc. completed its initial public offering of common stock, including the issuance and sale by Voya Financial, Inc. of 30,769,230 shares of common stock and the sale by ING Insurance International B.V. ("ING International"), an indirect wholly owned subsidiary of ING Group and previously the sole stockholder of Voya Financial, Inc., of 44,201,773 shares of outstanding common stock of Voya Financial, Inc. (collectively, the "IPO"). On September 30, 2013, ING International transferred all of its shares of Voya Financial, Inc. common stock to ING Group.

On October 29, 2013, ING Group completed a sale of 37,950,000 shares of common stock of Voya Financial, Inc. in a registered public offering ("Secondary Offering"), reducing ING Group's ownership of Voya Financial, Inc. to 57%.

Throughout 2014, ING Group completed the sale of an aggregate of 82,783,006 shares of common stock of Voya Financial, Inc. in a series of registered public offerings. Also during 2014, pursuant to the terms of share repurchase agreements between ING Group and Voya Financial, Inc., Voya Financial, Inc. acquired 19,447,847 shares of its common stock from ING Group. As of the end of 2014, ING Group's ownership of Voya Financial, Inc. had been reduced to approximately 19%.

In March of 2015, ING Group completed a sale of 32,018,100 shares of common stock of Voya Financial, Inc. in a registered public offering. Concurrently with this offering, pursuant to the terms of a share repurchase agreement between ING Group and Voya Financial, Inc., Voya Financial, Inc. acquired 13,599,274 shares of its common stock from ING Group.

As a result of these transactions, ING Group satisfied the provisions of its agreement with the European Union regarding the divestment of its U.S. insurance and investment operations, which required ING Group to divest 100% of its ownership interest in Voya Financial, Inc. together with its subsidiaries, including the Company by the end of 2016. ING Group continues to hold warrants to purchase up to 26,050,846 shares of Voya Financial, Inc. common stock at an exercise price of \$48.75, in each case subject to adjustments.

VRIAC is a direct, wholly owned subsidiary of Voya Holdings Inc. ("Parent"), which is a direct, wholly owned subsidiary of Voya Financial, Inc.

The Company offers qualified and nonqualified annuity contracts that include a variety of funding and payout options for individuals and employer-sponsored retirement plans qualified under Internal Revenue Code Sections 401, 403, 408, 457 and 501, as well as nonqualified deferred compensation plans and related services. The Company's products are offered primarily to employer-sponsored groups in the health care, government and education markets (collectively "tax exempt markets"), small to mid-sized corporations, pension plans and individuals. The Company also provides stable value investment options, including separate account guaranteed investment contracts (e.g., GICs) and synthetic GICs, to institutional clients. Additionally, the Company provides pension risk transfer solutions to institutional customers who may or may not utilize our other products and are looking to transfer their defined benefit plan obligations to the Company. The Company's products are generally distributed through pension professionals, independent agents and brokers, third-party administrators, banks, consultants, dedicated career agents associated with Voya Financial, Inc.'s retail broker-dealer, Voya Financial Advisors, Inc. ("Voya Financial Advisors") and financial planners.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

Products offered by the Company include deferred and immediate (i.e., payout) annuity contracts. Company products also include programs offered to qualified plans and nonqualified deferred compensation plans that package administrative and record-keeping services, participant education, and retirement readiness planning tools along with a variety of investment options, including proprietary and non-proprietary mutual funds and variable and fixed investment options. In addition, the Company offers wrapper agreements entered into with retirement plans, which contain certain benefit responsive guarantees (i.e., guarantees of principal and previously accrued interest for benefits paid under the terms of the plan) with respect to portfolios of plan-owned assets not invested with the Company. Stable value products and pension risk transfer solutions are also provided to institutional plan sponsors where we may or may not be providing other employer sponsored products and services.

The Company has one operating segment.

#### ***Basis of Presentation***

The accompanying Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

The Consolidated Financial Statements include the accounts of VRIAC and its wholly owned subsidiaries, Voya Financial Partners, LLC ("VFP") and Directed Services LLC ("DSL"). Intercompany transactions and balances have been eliminated.

Certain immaterial reclassifications have been made to prior year financial information to conform to the current year classifications.

#### ***Significant Accounting Policies***

##### *Estimates and Assumptions*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Those estimates are inherently subject to change and actual results could differ from those estimates.

The Company has identified the following accounts and policies as the most significant in that they involve a higher degree of judgment, are subject to a significant degree of variability and/or contain significant accounting estimates:

- Reserves for future policy benefits;
- Deferred policy acquisition costs ("DAC") and value of business acquired ("VOBA");
- Valuation of investments and derivatives;
- Impairments;
- Income taxes; and
- Contingencies

##### *Fair Value Measurement*

The Company measures the fair value of its financial assets and liabilities based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset or nonperformance risk, including the Company's own credit risk. The estimate of fair value is the price that would be received to sell an asset or transfer a liability ("exit price") in an orderly transaction between market participants in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability. The Company uses a number of valuation sources to determine the fair values of its financial assets and liabilities, including quoted market prices, third-party commercial pricing services, third-party brokers, industry-standard, vendor-provided software that models the value based on market observable inputs, and other internal modeling techniques based on projected cash flows.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

#### *Investments*

The accounting policies for the Company's principal investments are as follows:

*Fixed Maturities and Equity Securities:* The Company's fixed maturities and equity securities are currently designated as available-for-sale, except those accounted for using the fair value option ("FVO"). Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in Accumulated other comprehensive income (loss) ("AOCI") and presented net of related changes in DAC, VOBA and Deferred income taxes. In addition, certain fixed maturities have embedded derivatives, which are reported with the host contract on the Consolidated Balance Sheets.

The Company has elected the FVO for certain of its fixed maturities to better match the measurement of assets and liabilities in the Consolidated Statements of Operations. Certain collateralized mortgage obligations ("CMOs"), primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

Purchases and sales of fixed maturities and equity securities, excluding private placements, are recorded on the trade date. Purchases and sales of private placements and mortgage loans are recorded on the closing date. Investment gains and losses on sales of securities are generally determined on a first-in-first-out ("FIFO") basis.

Interest income on fixed maturities is recorded when earned using an effective yield method, giving effect to amortization of premiums and accretion of discounts. Dividends on equity securities are recorded when declared. Such dividends and interest income are recorded in Net investment income in the Consolidated Statements of Operations.

Included within fixed maturities are loan-backed securities, including residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and asset-backed securities ("ABS"). Amortization of the premium or discount from the purchase of these securities considers the estimated timing and amount of prepayments of the underlying loans. Actual prepayment experience is periodically reviewed and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. Prepayment assumptions for single-class and multi-class mortgage-backed securities ("MBS") and ABS are estimated by management using inputs obtained from third-party specialists, including broker-dealers, and based on management's knowledge of the current market. For prepayment-sensitive securities such as interest-only and principal-only strips, inverse floaters and credit-sensitive MBS and ABS securities, which represent beneficial interests in securitized financial assets that are not of high credit quality or that have been credit impaired, the effective yield is recalculated on a prospective basis. For all other MBS and ABS, the effective yield is recalculated on a retrospective basis.

*Short-term Investments:* Short-term investments include investments with remaining maturities of one year or less, but greater than three months, at the time of purchase. These investments are stated at fair value.

*Assets Held in Separate Accounts:* Assets held in separate accounts are reported at the fair values of the underlying investments in the separate accounts. The underlying investments include mutual funds, short-term investments, cash and fixed maturities.

*Mortgage Loans on Real Estate:* The Company's mortgage loans on real estate are all commercial mortgage loans, which are reported at amortized cost, less impairment write-downs and allowance for losses. If a mortgage loan is determined to be impaired (i.e., when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement), the carrying value of the mortgage loan is reduced to the lower of either the present value of expected cash flows from the loan, discounted at the loan's original purchase yield, or fair value of the collateral. For those mortgages that are determined to require foreclosure, the carrying value is reduced to the fair value of the underlying collateral, net of estimated costs to obtain and sell at the point of foreclosure. The carrying value of the impaired loans is reduced by establishing a permanent write-down recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. Property obtained from foreclosed mortgage loans is recorded in Other investments on the Consolidated Balance Sheets.

Mortgage loans are evaluated by the Company's investment professionals, including an appraisal of loan-specific credit quality, property characteristics and market trends. Loan performance is continuously monitored on a loan-specific basis throughout the year. The Company's review includes submitted appraisals, operating statements, rent revenues and annual inspection reports,

## Voya Retirement Insurance and Annuity Company and Subsidiaries

(A wholly owned subsidiary of Voya Holdings Inc.)

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

---

among other items. This review evaluates whether the properties are performing at a consistent and acceptable level to secure the debt.

Mortgages are rated for the purpose of quantifying the level of risk. Those loans with higher risk are placed on a watch list and are closely monitored for collateral deficiency or other credit events that may lead to a potential loss of principal or interest. The Company defines delinquent mortgage loans consistent with industry practice as 60 days past due.

Commercial loans are placed on non-accrual status when 90 days in arrears if the Company has concerns regarding the collectability of future payments, or if a loan has matured without being paid off or extended. Factors considered may include conversations with the borrower, loss of major tenant, bankruptcy of borrower or major tenant, decreased property cash flow, number of days past due, or various other circumstances. Based on an assessment as to the collectability of the principal, a determination is made either to apply against the book value or apply according to the contractual terms of the loan. Funds recovered in excess of book value would then be applied to recover expenses, impairments, and then interest. Accrual of interest resumes after factors resulting in doubts about collectability have improved.

The Company records an allowance for probable losses incurred on non-impaired loans on an aggregate basis, rather than specifically identified probable losses incurred by individual loan.

*Policy Loans:* Policy loans are carried at an amount equal to the unpaid balance. Interest income on such loans is recorded as earned in Net investment income using the contractually agreed upon interest rate. Generally, interest is capitalized on the policy's anniversary date. Valuation allowances are not established for policy loans, as these loans are collateralized by the cash surrender value of the associated insurance contracts. Any unpaid principal or interest on the loan is deducted from the account value or the death benefit prior to settlement of the policy.

*Limited Partnerships/Corporations:* The Company uses the equity method of accounting for investments in limited partnership interests, which consists primarily of private equities and hedge funds. Generally, the Company records its share of earnings using a lag methodology, relying on the most recent financial information available, generally not to exceed three months. The Company's earnings from limited partnership interests accounted for under the equity method are recorded in Net investment income.

*Securities Lending:* The Company engages in securities lending whereby certain securities from its portfolio are loaned to other institutions, through a lending agent, for short periods of time. The Company has the right to approve any institution with whom the lending agent transacts on its behalf. Initial collateral, primarily cash, is required at a rate of 102% of the market value of the loaned securities. The lending agent retains the collateral and invests it in short-term liquid assets on behalf of the Company. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates. The lending agent indemnifies the Company against losses resulting from the failure of a counterparty to return securities pledged where collateral is insufficient to cover the loss.

#### *Impairments*

The Company evaluates its available-for-sale general account investments quarterly to determine whether there has been an other-than-temporary decline in fair value below the amortized cost basis. This evaluation process entails considerable judgment and estimation. Factors considered in this analysis include, but are not limited to, the length of time and the extent to which the fair value has been less than amortized cost, the issuer's financial condition and near-term prospects, future economic conditions and market forecasts, interest rate changes and changes in ratings of the security. An extended and severe unrealized loss position on a fixed maturity may not have any impact on: (a) the ability of the issuer to service all scheduled interest and principal payments and (b) the evaluation of recoverability of all contractual cash flows or the ability to recover an amount at least equal to its amortized cost based on the present value of the expected future cash flows to be collected. In contrast, for certain equity securities, the Company gives greater weight and consideration to a decline in market value and the likelihood such market value decline will recover.

When assessing the Company's intent to sell a security or if it is more likely than not it will be required to sell a security before recovery of its amortized cost basis, management evaluates facts and circumstances such as, but not limited to, decisions to rebalance the investment portfolio and sales of investments to meet cash flow or capital needs.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

When the Company has determined it has the intent to sell or if it is more likely than not that the Company will be required to sell a security before recovery of its amortized cost basis and the fair value has declined below amortized cost ("intent impairment"), the individual security is written down from amortized cost to fair value, and a corresponding charge is recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations as an other-than-temporary impairment ("OTTI"). If the Company does not intend to sell the security and it is not more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, but the Company has determined that there has been an other-than-temporary decline in fair value below the amortized cost basis, the OTTI is bifurcated into the amount representing the present value of the decrease in cash flows expected to be collected ("credit impairment") and the amount related to other factors ("noncredit impairment"). The credit impairment is recorded in Net realized capital gains (losses) in the Consolidated Statements of Operations. The noncredit impairment is recorded in Other comprehensive income (loss).

The Company uses the following methodology and significant inputs to determine the amount of the OTTI credit loss:

- When determining collectability and the period over which the value is expected to recover for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the Company applies the same considerations utilized in its overall impairment evaluation process, which incorporates information regarding the specific security, the industry and geographic area in which the issuer operates and overall macroeconomic conditions. Projected future cash flows are estimated using assumptions derived from the Company's best estimates of likely scenario-based outcomes, after giving consideration to a variety of variables that includes, but is not limited to: general payment terms of the security; the likelihood that the issuer can service the scheduled interest and principal payments; the quality and amount of any credit enhancements; the security's position within the capital structure of the issuer; possible corporate restructurings or asset sales by the issuer; and changes to the rating of the security or the issuer by rating agencies.
- Additional considerations are made when assessing the unique features that apply to certain structured securities, such as subprime, Alt-A, non-agency RMBS, CMBS and ABS. These additional factors for structured securities include, but are not limited to: the quality of underlying collateral; expected prepayment speeds; loan-to-value ratios; debt service coverage ratios; current and forecasted loss severity; consideration of the payment terms of the underlying assets backing a particular security; and the payment priority within the tranche structure of the security.
- When determining the amount of the credit loss for U.S. and foreign corporate securities, foreign government securities and state and political subdivision securities, the Company considers the estimated fair value as the recovery value when available information does not indicate that another value is more appropriate. When information is identified that indicates a recovery value other than estimated fair value, the Company considers in the determination of recovery value the same considerations utilized in its overall impairment evaluation process, which incorporates available information and the Company's best estimate of scenario-based outcomes regarding the specific security and issuer; possible corporate restructurings or asset sales by the issuer; the quality and amount of any credit enhancements; the security's position within the capital structure of the issuer; fundamentals of the industry and geographic area in which the security issuer operates; and the overall macroeconomic conditions.
- The Company performs a discounted cash flow analysis comparing the current amortized cost of a security to the present value of future cash flows expected to be received, including estimated defaults and prepayments. The discount rate is generally the effective interest rate of the fixed maturity prior to impairment.

In periods subsequent to the recognition of the credit related impairment components of OTTI on a fixed maturity, the Company accounts for the impaired security as if it had been purchased on the measurement date of the impairment. Accordingly, the discount (or reduced premium) based on the new cost basis is accreted into Net investment income over the remaining term of the fixed maturity in a prospective manner based on the amount and timing of estimated future cash flows.

#### *Derivatives*

The Company's use of derivatives is limited mainly to economic hedging to reduce the Company's exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, exchange rate risk and market risk. It is the Company's policy not to offset amounts recognized for derivative instruments and amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement.

The Company enters into interest rate, equity market, credit default and currency contracts, including swaps, futures, forwards, caps, floors and options, to reduce and manage various risks associated with changes in value, yield, price, cash flow or exchange

## Voya Retirement Insurance and Annuity Company and Subsidiaries

(A wholly owned subsidiary of Voya Holdings Inc.)

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

---

rates of assets or liabilities held or intended to be held, or to assume or reduce credit exposure associated with a referenced asset, index or pool. The Company also utilizes options and futures on equity indices to reduce and manage risks associated with its annuity products. Derivative contracts are reported as Derivatives assets or liabilities on the Consolidated Balance Sheets at fair value. Changes in the fair value of derivatives are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

To qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge as either (a) a hedge of the exposure to changes in the estimated fair value of a recognized asset or liability or an identified portion thereof that is attributable to a particular risk ("fair value hedge") or (b) a hedge of a forecasted transaction or of the variability of cash flows that is attributable to interest rate risk to be received or paid related to a recognized asset or liability ("cash flow hedge"). In this documentation, the Company sets forth how the hedging instrument is expected to hedge the designated risks related to the hedged item and sets forth the method that will be used to retrospectively and prospectively assess the hedging instrument's effectiveness and the method that will be used to measure ineffectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the designated hedging relationship.

- *Fair Value Hedge:* For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument, as well as the hedged item, to the extent of the risk being hedged, are recognized in Other net realized capital gains (losses) in the Consolidated Statements of Operations.
- *Cash Flow Hedge:* For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is reported as a component of AOCI and reclassified into earnings in the same periods during which the hedged transaction impacts earnings in the same line item associated with the forecasted transaction. The ineffective portion of the derivative's change in value, if any, along with any of the derivative's change in value that is excluded from the assessment of hedge effectiveness, are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

When hedge accounting is discontinued because it is determined that the derivative is no longer expected to be highly effective in offsetting changes in the estimated fair value or cash flows of a hedged item, the derivative continues to be carried on the Consolidated Balance Sheets at its estimated fair value, with subsequent changes in estimated fair value recognized currently in Other net realized capital gains (losses). The carrying value of the hedged asset or liability under a fair value hedge is no longer adjusted for changes in its estimated fair value due to the hedged risk, and the cumulative adjustment to its carrying value is amortized into income over the remaining life of the hedged item. Provided the hedged forecasted transaction is still probable of occurrence, the changes in estimated fair value of derivatives recorded in Other comprehensive income (loss) related to discontinued cash flow hedges are released into the Consolidated Statements of Operations when the Company's earnings are affected by the variability in cash flows of the hedged item.

When hedge accounting is discontinued because it is no longer probable that the forecasted transactions will occur on the anticipated date or within two months of that date, the derivative continues to be carried on the Consolidated Balance Sheets at its estimated fair value, with changes in estimated fair value recognized currently in Other net realized capital gains (losses). Derivative gains and losses recorded in Other comprehensive income (loss) pursuant to the discontinued cash flow hedge of a forecasted transaction that is no longer probable are recognized immediately in Other net realized capital gains (losses).

The Company also has investments in certain fixed maturities and has issued certain annuity products that contain embedded derivatives whose fair value is at least partially determined by levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity markets or credit ratings/spreads. Embedded derivatives within fixed maturities are included with the host contract on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivatives are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. Embedded derivatives within certain annuity products are included in Future policy benefits and contract owner account balances on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivatives are recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

In addition, the Company has entered into reinsurance agreements, accounted for under the deposit method, that contain embedded derivatives, the fair value of which is based on the change in the fair value of the underlying assets held in trust. The embedded derivatives within the reinsurance agreements are reported in Other liabilities on the Consolidated Balance Sheets, and changes in the fair value of the embedded derivatives are recorded in Interest credited and other benefits to contract owners/policyholders in the Consolidated Statements of Operations.

#### *Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand, amounts due from banks and other highly liquid investments, such as money market instruments and debt instruments with maturities of three months or less at the time of purchase. Cash and cash equivalents are stated at fair value.

#### *Property and Equipment*

Property and equipment are carried at cost, less accumulated depreciation, and are included in Other assets on the Consolidated Balance Sheets. Expenditures for replacements and major improvements are capitalized; maintenance and repair expenditures are expensed as incurred. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which generally range from 3 to 40 years, with the exception of land and artwork which are not depreciated.

#### *Deferred Policy Acquisition Costs and Value of Business Acquired*

DAC represents policy acquisition costs that have been capitalized and are subject to amortization and interest. Capitalized costs are incremental, direct costs of contract acquisition and certain other costs related directly to successful acquisition activities. Such costs consist principally of commissions, underwriting, sales and contract issuance and processing expenses directly related to the successful acquisition of new and renewal business. Indirect or unsuccessful acquisition costs, maintenance, product development and overhead expenses are charged to expense as incurred. VOBA represents the outstanding value of in-force business acquired and is subject to amortization and interest. The value is based on the present value of estimated net cash flows embedded in the insurance contracts at the time of the acquisition and increased for subsequent deferrable expenses on purchased policies. DAC and VOBA are adjusted for the impact of unrealized capital gains (losses) on investments, as if such gains (losses) have been realized, with corresponding adjustments included in AOCI.

#### Amortization Methodologies

The Company amortizes DAC and VOBA related to fixed and variable deferred annuity contracts over the estimated lives of the contracts in relation to the emergence of estimated gross profits. Assumptions as to mortality, persistency, interest crediting rates, fee income, returns associated with separate account performance, impact of hedge performance, expenses to administer the business and certain economic variables, such as inflation, are based on the Company's experience and overall capital markets. At each valuation date, estimated gross profits are updated with actual gross profits, and the assumptions underlying future estimated gross profits are evaluated for continued reasonableness. Adjustments to estimated gross profits require that amortization rates be revised retroactively to the date of the contract issuance ("unlocking").

Recoverability testing is performed for current issue year products to determine if gross profits are sufficient to cover DAC and VOBA, estimated benefits and related expenses. In subsequent years, the Company performs testing to assess the recoverability of DAC and VOBA on an annual basis, or more frequently if circumstances indicate a potential loss recognition issue exists. If DAC or VOBA are not deemed recoverable from future gross profits, charges will be applied against DAC or VOBA balances before an additional reserve is established.

#### Internal Replacements

Contract owners may periodically exchange one contract for another, or make modifications to an existing contract. These transactions are identified as internal replacements. Internal replacements that are determined to result in substantially unchanged contracts are accounted for as continuations of the replaced contracts. Any costs associated with the issuance of the new contracts are considered maintenance costs and expensed as incurred. Unamortized DAC and VOBA related to the replaced contracts continue to be deferred and amortized in connection with the new contracts. Internal replacements that are determined to result in contracts that are substantially changed are accounted for as extinguishments of the replaced contracts, and any unamortized

## Voya Retirement Insurance and Annuity Company and Subsidiaries

(A wholly owned subsidiary of Voya Holdings Inc.)

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

---

DAC and VOBA related to the replaced contracts are written off to Net amortization of Deferred policy acquisition costs and Value of business acquired in the Consolidated Statements of Operations.

#### Assumptions

Changes in assumptions can have a significant impact on DAC and VOBA balances, amortization rates, reserve levels, and results of operations. Assumptions are management's best estimate of future outcome.

Several assumptions are considered significant in the estimation of gross profits associated with the Company's variable products. One significant assumption is the assumed return associated with the variable account performance. To reflect the volatility in the equity markets, this assumption involves a combination of near-term expectations and long-term assumptions regarding market performance. The overall return on the variable account is dependent on multiple factors, including the relative mix of the underlying sub-accounts among bond funds and equity funds, as well as equity sector weightings. The Company's practice assumes that intermediate-term appreciation in equity markets reverts to the long-term appreciation in equity markets ("reversion to the mean"). The Company monitors market events and only changes the assumption when sustained deviations are expected. This methodology incorporates a 9% long-term equity return assumption, a 14% cap and a five-year look-forward period.

Other significant assumptions used in the estimation of gross profits for products with credited rates include interest rate spreads and credit losses. Estimated gross profits of variable annuity contracts are sensitive to estimated policyholder behavior assumptions, such as surrender, lapse and annuitization rates.

#### *Future Policy Benefits and Contract Owner Accounts*

##### Future Policy Benefits

The Company establishes and carries actuarially-determined reserves that are calculated to meet its future obligations, including estimates of unpaid claims and claims that the Company believes have been incurred but have not yet been reported as of the balance sheet date. The principal assumptions used to establish liabilities for future policy benefits are based on Company experience and periodically reviewed against industry standards. These assumptions include mortality, morbidity, policy lapse, contract renewal, payment of subsequent premiums or deposits by the contract owner, retirement, investment returns, inflation, benefit utilization and expenses. Changes in, or deviations from, the assumptions used can significantly affect the Company's reserve levels and related results of operations.

Reserves for payout contracts with life contingencies are equal to the present value of expected future payments. Assumptions as to interest rates, mortality and expenses are based on the Company's experience at the period the policy is sold or acquired, including a provision for adverse deviation. Such assumptions generally vary by annuity plan type, year of issue and policy duration. Interest rates used to calculate the present value of future benefits ranged from 1.0% to 6.5%.

Although assumptions are "locked-in" upon the issuance of payout contracts with life contingencies, significant changes in experience or assumptions may require the Company to provide for expected future losses on a product by establishing premium deficiency reserves. Premium deficiency reserves are determined based on best estimate assumptions that exist at the time the premium deficiency reserve is established and do not include a provision for adverse deviation.

##### Contract Owner Account Balances

Contract owner account balances relate to investment-type contracts, as follows:

- Account balances for fixed annuities and payout contracts without life contingencies are equal to cumulative deposits, less charges and withdrawals, plus credited interest thereon. Credited interest rates vary by product and ranged up to 8.0% for the years 2015, 2014 and 2013. Account balances for group immediate annuities without life contingent payouts are equal to the discounted value of the payment at the implied break-even rate.
- For fixed-indexed annuity contracts ("FIAs"), the aggregate initial liability is equal to the deposit received, plus a bonus, if applicable, and is split into a host component and an embedded derivative component. Thereafter, the host liability accumulates at a set interest rate, and the embedded derivative liability is recognized at fair value.

## Voya Retirement Insurance and Annuity Company and Subsidiaries

(A wholly owned subsidiary of Voya Holdings Inc.)

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

---

#### Product Guarantees and Additional Reserves

The Company calculates additional reserve liabilities for certain variable annuity guaranteed benefits and variable funding products. The Company periodically evaluates its estimates and adjusts the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised. Changes in, or deviations from, the assumptions used can significantly affect the Company's reserve levels and related results of operations.

*GMDB*: Reserves for annuity guaranteed minimum death benefits ("GMDB") are determined by estimating the value of expected benefits in excess of the projected account balance and recognizing the excess ratably over the accumulation period based on total expected assessments. Expected experience is based on a range of scenarios. Assumptions used, such as the long-term equity market return, lapse rate and mortality, are consistent with assumptions used in estimating gross profits for the purpose of amortizing DAC. The assumptions of investment performance and volatility are consistent with the historical experience of the appropriate underlying equity index, such as the Standard & Poor's ("S&P") 500 Index. Reserves for GMDB are recorded in Future policy benefits and contract owner account balances on the Consolidated Balance Sheets. Changes in reserves for GMDB are reported in Interest credited and other benefits to contract owner/policyholders in the Consolidated Statements of Operations.

*FIA*: The Company issues FIAs which contain embedded derivatives that are measured at estimated fair value separately from the host contracts. Such embedded derivatives are recorded in Future policy benefits and contract owner account balances on the Consolidated Balance Sheets. Changes in estimated fair value, along with attributed fees collected or payments made, are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

The estimated fair value of the embedded derivative in the FIA contracts is based on the present value of the excess of interest payments to the contract owners over the growth in the minimum guaranteed contract value. The excess interest payments are determined as the excess of projected index driven benefits over the projected guaranteed benefits. The projection horizon is over the anticipated life of the related contracts, which takes into account best estimate actuarial assumptions, such as partial withdrawals, full surrenders, deaths, annuitizations and maturities.

*Stabilizer and MCG*: Guaranteed credited rates give rise to an embedded derivative in the Stabilizer products and a stand-alone derivative for managed custody guarantee products ("MCG"). These derivatives are measured at estimated fair value and recorded in Future policy benefits and contract owner account balances on the Consolidated Balance Sheets. Changes in estimated fair value, along with attributed fees collected, are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

The estimated fair value of the Stabilizer embedded derivative and MCG contracts is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are projected under multiple capital market scenarios using observable risk-free rates and other best estimate assumptions.

The liabilities for the FIA and Stabilizer embedded derivatives and the MCG stand-alone derivative include a risk margin to capture uncertainties related to policyholder behavior assumptions. The margin represents additional compensation a market participant would require to assume these risks.

The discount rate used to determine the fair value of the liabilities for FIA and Stabilizer embedded derivatives and the MCG stand-alone derivative includes an adjustment to reflect the risk that these obligations will not be fulfilled ("nonperformance risk").

#### *Separate Accounts*

Separate account assets and liabilities generally represent funds maintained to meet specific investment objectives of contract owners or participants who bear the investment risk, subject, in limited cases, to minimum guaranteed rates. Investment income and investment gains and losses generally accrue directly to such contract owners. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company or its affiliates.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

Separate account assets supporting variable options under variable annuity contracts are invested, as designated by the contract owner or participant under a contract, in shares of mutual funds that are managed by the Company, or its affiliates, or in other selected mutual funds not managed by the Company, or its affiliates.

The Company reports separately, as assets and liabilities, investments held in the separate accounts and liabilities of separate accounts if:

- Such separate accounts are legally recognized;
- Assets supporting the contract liabilities are legally insulated from the Company's general account liabilities;
- Investments are directed by the contract owner or participant; and
- All investment performance, net of contract fees and assessments, is passed through to the contract owner.

The Company reports separate account assets that meet the above criteria at fair value on the Consolidated Balance Sheets based on the fair value of the underlying investments. Separate account liabilities equal separate account assets. Investment income and net realized and unrealized capital gains (losses) of the separate accounts, however, are not reflected in the Consolidated Statements of Operations, and the Consolidated Statements of Cash Flows do not reflect investment activity of the separate accounts.

#### *Repurchase Agreements*

The Company engages in dollar repurchase agreements with MBS ("dollar rolls") and repurchase agreements with other collateral types to increase its return on investments and improve liquidity. Such arrangements meet the requirements to be accounted for as financing arrangements.

The Company enters into dollar roll transactions by selling existing MBS and concurrently entering into an agreement to repurchase similar securities within a short time frame at a lower price. Under repurchase agreements, the Company borrows cash from a counterparty at an agreed upon interest rate for an agreed upon time frame and pledges collateral in the form of securities. At the end of the agreement, the counterparty returns the collateral to the Company, and the Company, in turn, repays the loan amount along with the additional agreed upon interest.

The Company's policy requires that at all times during the term of the dollar roll and repurchase agreements that cash or other collateral types obtained is sufficient to allow the Company to fund substantially all of the cost of purchasing replacement assets. Cash received is invested in Short-term investments, with the offsetting obligation to repay the loan included within Other liabilities on the Consolidated Balance Sheets. The carrying value of the securities pledged in dollar rolls and repurchase agreement transactions and the related repurchase obligation are included in Securities pledged and Short-term debt, respectively, on the Consolidated Balance Sheets.

The primary risk associated with short-term collateralized borrowings is that the counterparty will be unable to perform under the terms of the contract. The Company's exposure is limited to the excess of the net replacement cost of the securities over the value of the short-term investments. The Company believes the counterparties to the dollar rolls and repurchase agreements are financially responsible and that the counterparty risk is minimal.

#### *Recognition of Insurance Revenue and Related Benefits*

Premiums related to payouts contracts with life contingencies are recognized in Premiums in the Consolidated Statements of Operations when due from the contract owner. When premiums are due over a significantly shorter period than the period over which benefits are provided, any gross premium in excess of the net premium (i.e., the portion of the gross premium required to provide for all expected future benefits and expenses) is deferred and recognized into revenue in a constant relationship to insurance in force. Benefits are recorded in Interest credited and other benefits to contract owners in the Consolidated Statements of Operations when incurred.

Amounts received as payment for investment-type, fixed annuities, payout contracts without life contingencies and FIA contracts are reported as deposits to contract owner account balances. Revenues from these contracts consist primarily of fees assessed against the contract owner account balance for mortality and policy administration charges and are reported in Fee income. Surrender charges are reported in Other revenue. In addition, the Company earns investment income from the investment of contract deposits

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

in the Company's general account portfolio, which is reported in Net investment income in the Consolidated Statements of Operations. Fees assessed that represent compensation to the Company for services to be provided in future periods and certain other fees are deferred and amortized into revenue over the expected life of the related contracts in proportion to estimated gross profits in a manner consistent with DAC for these contracts. Benefits and expenses for these products include claims in excess of related account balances, expenses of contract administration and interest credited to contract owner account balances.

#### *Income Taxes*

The Company uses certain assumptions and estimates in determining the income taxes payable or refundable to/from Voya Financial, Inc. for the current year, the deferred income tax liabilities and assets for items recognized differently in its Consolidated Financial Statements from amounts shown on its income tax returns and the federal income tax expense. Determining these amounts requires analysis and interpretation of current tax laws and regulations, including the loss limitation rules associated with change in control. Management exercises considerable judgment in evaluating the amount and timing of recognition of the resulting income tax liabilities and assets. These judgments and estimates are reevaluated on a periodic basis. The Company will continue to evaluate as regulatory and business factors change.

Items required by tax regulations to be included in the tax return may differ from the items reflected in the financial statements. As a result, the effective tax rate reflected in the financial statements may be different than the actual rate applied on the tax return. Some of these differences are permanent such as the dividends received deduction which is estimated using information from the prior period and current year results. Other differences are temporary, reversing over time, such as the valuation of insurance reserves, and create deferred tax assets and liabilities.

The Company's deferred tax assets and liabilities resulting from temporary differences between financial reporting and tax bases of assets and liabilities are measured at the balance sheet date using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse.

Deferred tax assets represent the tax benefit of future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards. The Company evaluates and tests the recoverability of its deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Considerable judgment and the use of estimates are required in determining whether a valuation allowance is necessary and, if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors, including:

- The nature, frequency and severity of book income or losses in recent years;
- The nature and character of the deferred tax assets and liabilities;
- The recent cumulative book income (loss) position after adjustment for permanent differences;
- Taxable income in prior carryback years;
- Projected future taxable income, exclusive of reversing temporary differences and carryforwards;
- Projected future reversals of existing temporary differences;
- The length of time carryforwards can be utilized;
- Prudent and feasible tax planning strategies the Company would employ to avoid a tax benefit from expiring unused; and
- Tax rules that would impact the utilization of the deferred tax assets.

In establishing unrecognized tax benefits, the Company determines whether a tax position is more likely than not to be sustained under examination by the appropriate taxing authority. The Company also considers positions that have been reviewed and agreed to as part of an examination by the appropriate taxing authority. Tax positions that do not meet the more likely than not standard are not recognized in the Consolidated Financial Statements. Tax positions that meet this standard are recognized in the Consolidated Financial Statements. The Company measures the tax position as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate resolution with the tax authority that has full knowledge of all relevant information.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

#### *Reinsurance*

The Company utilizes reinsurance agreements in most aspects of its insurance business to reduce its exposure to large losses. Such reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Company as direct insurer of the risks reinsured.

For each of its reinsurance agreements, the Company determines whether the agreement provides indemnification against loss or liability relating to insurance risk. The Company reviews contractual features, particularly those that may limit the amount of insurance risk to which the reinsurer is subject or features that delay the timely reimbursement of claims. The assumptions used to account for long-duration reinsurance agreements are consistent with those used for the underlying contracts. Ceded Future policy benefits and contract owner account balances are reported gross on the Consolidated Balance Sheets.

*Long-duration:* For reinsurance of long-duration contracts that transfer significant insurance risk, the difference, if any, between the amounts paid and benefits received related to the underlying contracts is included in the expected net cost of reinsurance, which is recorded as a component of the reinsurance asset or liability. Any difference between actual and expected net cost of reinsurance is recognized in the current period and included as a component of profits used to amortize DAC.

If the Company determines that a reinsurance agreement does not expose the reinsurer to a reasonable possibility of a significant loss from insurance risk, the Company records the agreement using the deposit method of accounting. Deposits received are included in Other liabilities, and deposits made are included in Other assets on the Consolidated Balance Sheets. As amounts are paid or received, consistent with the underlying contracts, the deposit assets or liabilities are adjusted. Interest on such deposits is recorded as Other revenues or Other expenses in the Consolidated Statements of Operations, as appropriate. Periodically, the Company evaluates the adequacy of the expected payments or recoveries and adjusts the deposit asset or liability through Other revenues or Other expenses, as appropriate.

Accounting for reinsurance requires extensive use of assumptions and estimates, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risks. The Company periodically reviews actual and anticipated experience compared to the assumptions used to establish assets and liabilities relating to ceded and assumed reinsurance. The Company also evaluates the financial strength of potential reinsurers and continually monitors the financial condition of reinsurers.

Only those reinsurance recoverable balances deemed probable of recovery are reflected as assets on the Company's Consolidated Balance Sheets and are stated net of allowances for uncollectible reinsurance. Amounts currently recoverable and payable under reinsurance agreements are included in Reinsurance recoverable and Other liabilities, respectively. Such assets and liabilities relating to reinsurance agreements with the same reinsurer are recorded net on the Consolidated Balance Sheets if a right of offset exists within the reinsurance agreement. Premiums, Fee income and Interest credited and other benefits to contract owners/policyholders are reported net of reinsurance ceded. Amounts received from reinsurers for policy administration are reported in Other revenue.

The Company utilizes reinsurance agreements, accounted for under the deposit method, to manage reserve and capital requirements in connection with a portion of its deferred annuities business. The agreements contain embedded derivatives whose carrying value is estimated based on the change in the fair value of the assets supporting the funds withheld under the agreements.

The Company currently has a significant concentration of ceded reinsurance with a subsidiary of Lincoln National Corporation ("Lincoln") arising from the disposition of its individual life insurance business.

#### *Contingencies*

A loss contingency is an existing condition, situation or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. Examples of loss contingencies include pending or threatened adverse litigation, threat of expropriation of assets and actual or possible claims and assessments. Amounts related to loss contingencies are accrued and recorded in Other liabilities on the Consolidated Balance Sheets if it is probable that a loss has been incurred and the amount can be reasonably estimated, based on the Company's best estimate of the ultimate outcome.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

#### ***Adoption of New Pronouncements***

##### Repurchase Agreements

In June 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-11, "Transfers and Servicing (Accounting Standards Codification ("ASC") Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures" ("ASU 2014-11"), which (1) changes the accounting for repurchase-to-maturity transactions to secured borrowing accounting and (2) requires separate accounting for a transfer of a financial asset executed with a repurchase agreement with the same counterparty. This results in secured borrowing accounting for the repurchase agreement. The amendments also require additional disclosures for certain transactions accounted for as a sale and for repurchase agreements, securities lending transactions and repurchase-to-maturity transactions that are accounted for as secured borrowings.

The provisions of ASU 2014-11 were adopted by the Company on January 1, 2015, with the exception of disclosure amendments for repurchase agreements, securities lending transactions and repurchase-to-maturity transactions that are accounted for as secured borrowings, which were adopted April 1, 2015. The adoption of the January 1, 2015 provisions had no effect on the Company's financial condition, results of operations or cash flows. The disclosures required by ASU 2014-11 are included in the *Investments* Note to these Consolidated Financial Statements.

##### Discontinued Operations and Disposals

In April 2014, the FASB issued ASU 2014-08, "Presentation of Financial Statements (ASC Topic 205) and Property, Plant, and Equipment (ASC Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity" ("ASU 2014-08"), which requires the disposal of a component of an entity to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on the entity's operations and financial results. The component should be reported in discontinued operations when it meets the criteria to be classified as held for sale, is disposed of by sale or is disposed of other than by sale.

The amendments also require additional disclosures about discontinued operations, including disclosures about an entity's significant continuing involvement with a discontinued operation and disclosures for a disposal of an individually significant component of an entity that does not qualify for discontinued operations.

The provisions of ASU 2014-08 were adopted prospectively by the Company on January 1, 2015. The adoption had no effect on the Company's financial condition, results of operations or cash flows.

#### ***Future Adoption of Accounting Pronouncements***

##### Financial Instruments

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments-Overall (ASC Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"), which requires:

- Equity investments (except those consolidated or accounted for under the equity method) to be measured at fair value with changes in fair value recognized in net income.
- Elimination of the disclosure of methods and significant assumptions used to estimate the fair value for financial instruments measured at amortized cost.
- The use of the exit price notion when measuring the fair value of financial instruments for disclosure purposes.
- Separate presentation in other comprehensive income of the portion of the total change in fair value of a liability resulting from a change in own credit risk if the liability is measured at fair value under the fair value option.
- Separate presentation on the balance sheet or financial statement notes of financial assets and financial liabilities by measurement category and form of financial asset.

The provisions of ASU 2016-01 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption only permitted for certain provisions. Initial adoption of ASU 2016-01 should be reported on a modified retrospective basis, with a cumulative-effect adjustment to balance sheet as of the beginning of the year of adoption, except for certain provisions that should be applied prospectively. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2016-01.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

#### Consolidations

In February 2015, the FASB issued ASU 2015-02, "Consolidation (ASC Topic 810): Amendments to the Consolidation Analysis" ("ASU 2015-02"), which:

- Modifies the evaluation of whether limited partnerships and similar entities are Variable Interest Entities ("VIEs") or Voting Interest Entities ("VOEs"), including the requirement to consider the rights of all equity holders at risk to determine if they have the power to direct the entity's most significant activities.
- Eliminates the presumption that a general partner should consolidate a limited partnership. Limited partnerships and similar entities will be VIEs unless the limited partners hold substantive kick-out rights in the participating rights.
- Affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships.
- Provides a new scope exception for registered money market funds and similar unregistered money market funds, and ends the deferral granted to investment companies from applying the VIE guidance.

The provisions of ASU 2015-02 are effective for annual periods, and for interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted, using either a retrospective or modified retrospective approach. The Company plans to adopt the provisions of ASU 2015-02 on January 1, 2016 using the modified retrospective approach, and does not expect ASU 2015-02 to have an impact on the Company's financial condition or results of operations, but to impact disclosures only.

#### Hybrid Financial Instruments

In November 2014, the FASB issued ASU 2014-16, "Derivatives and Hedging (ASC Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity" ("ASU 2014-16"), which requires an entity to determine the nature of the host contract by considering the economic characteristics and risks of the entire hybrid financial instrument, including all embedded derivative features.

The provisions of ASU 2014-16 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted. Initial adoption of ASU 2014-16 may be reported on a modified retrospective basis, with a cumulative-effect adjustment to retained earnings as of the beginning of the year of adoption, or on a full retrospective basis, with application to all prior periods presented. The Company does not expect ASU 2014-16 to have an impact on the Company's financial condition, results of operations or cash flows.

#### Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (ASC Topic 606)" ("ASU 2014-09"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the entity satisfies a performance obligation under the contract. The standard also requires disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In August 2015, the FASB issued ASU 2015-14 to amend the effective date of ASU 2014-09 to fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted as of the original effective date, which was January 1, 2017. The provisions of ASU 2014-09 are effective retrospectively. The Company is currently in the process of determining the impact of adoption of the provisions of ASU 2014-09.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

**2. Investments**

*Fixed Maturities and Equity Securities*

Available-for-sale and FVO fixed maturities and equity securities were as follows as of December 31, 2015:

	Amortized Cost	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Embedded Derivatives <sup>(2)</sup>	Fair Value	OTTI <sup>(3)</sup>
Fixed maturities:						
U.S. Treasuries	\$ 616.6	\$ 105.1	\$ 0.3	\$ —	\$ 721.4	\$ —
U.S. Government agencies and authorities	4.3	—	—	—	4.3	—
State, municipalities and political subdivisions	589.9	13.8	7.9	—	595.8	—
U.S. corporate public securities	9,472.4	384.9	256.8	—	9,600.5	1.4
U.S. corporate private securities	2,336.0	86.3	62.4	—	2,359.9	—
Foreign corporate public securities and foreign governments <sup>(1)</sup>	2,868.7	95.0	151.5	—	2,812.2	—
Foreign corporate private securities <sup>(1)</sup>	2,678.8	96.1	63.5	—	2,711.4	—
Residential mortgage-backed securities:						
Agency	1,579.5	105.3	4.8	12.8	1,692.8	—
Non-Agency	181.6	46.3	2.1	10.6	236.4	6.4
Total Residential mortgage-backed securities	1,761.1	151.6	6.9	23.4	1,929.2	6.4
Commercial mortgage-backed securities						
Commercial mortgage-backed securities	1,228.9	49.5	3.5	—	1,274.9	6.7
Other asset-backed securities	240.7	9.9	1.4	—	249.2	2.4
Total fixed maturities, including securities pledged	21,797.4	992.2	554.2	23.4	22,258.8	16.9
Less: Securities pledged	252.3	16.0	19.1	—	249.2	—
Total fixed maturities	21,545.1	976.2	535.1	23.4	22,009.6	16.9
Equity securities	116.7	14.6	—	—	131.3	—
Total fixed maturities and equity securities investments	<u>\$ 21,661.8</u>	<u>\$ 990.8</u>	<u>\$ 535.1</u>	<u>\$ 23.4</u>	<u>\$ 22,140.9</u>	<u>\$ 16.9</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> Embedded derivatives within fixed maturity securities are reported with the host investment. The changes in fair value of embedded derivatives are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

<sup>(3)</sup> Represents OTTI reported as a component of Other comprehensive income (loss).

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Available-for-sale and FVO fixed maturities and equity securities were as follows as of December 31, 2014:

	Amortized Cost	Gross Unrealized Capital Gains	Gross Unrealized Capital Losses	Embedded Derivatives <sup>(2)</sup>	Fair Value	OTTI <sup>(3)</sup>
Fixed maturities:						
U.S. Treasuries	\$ 649.0	\$ 124.1	\$ —	\$ —	\$ 773.1	\$ —
U.S. Government agencies and authorities	45.7	0.9	—	—	46.6	—
State, municipalities and political subdivisions	259.0	18.3	0.1	—	277.2	—
U.S. corporate public securities	8,345.9	762.9	40.2	—	9,068.6	1.5
U.S. corporate private securities	2,020.8	139.5	8.9	—	2,151.4	—
Foreign corporate public securities and foreign governments <sup>(1)</sup>	2,778.3	159.1	50.3	—	2,887.1	—
Foreign corporate private securities <sup>(1)</sup>	2,707.1	189.4	5.7	—	2,890.8	—
Residential mortgage-backed securities:						
Agency	1,613.5	125.4	3.6	15.7	1,751.0	0.2
Non-Agency	227.9	54.6	2.2	12.1	292.4	8.7
Total Residential mortgage-backed securities	1,841.4	180.0	5.8	27.8	2,043.4	8.9
Commercial mortgage-backed securities						
Commercial mortgage-backed securities	998.9	79.2	0.1	—	1,078.0	6.7
Other asset-backed securities	389.0	13.1	1.7	—	400.4	2.6
Total fixed maturities, including securities pledged						
Total fixed maturities, including securities pledged	20,035.1	1,666.5	112.8	27.8	21,616.6	19.7
Less: Securities pledged	224.4	17.8	6.9	—	235.3	—
Total fixed maturities	19,810.7	1,648.7	105.9	27.8	21,381.3	19.7
Equity securities	107.4	14.5	—	—	121.9	—
Total fixed maturities and equity securities investments	<u>\$ 19,918.1</u>	<u>\$ 1,663.2</u>	<u>\$ 105.9</u>	<u>\$ 27.8</u>	<u>\$ 21,503.2</u>	<u>\$ 19.7</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> Embedded derivatives within fixed maturity securities are reported with the host investment. The changes in fair value of embedded derivatives are reported in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

<sup>(3)</sup> Represents OTTI reported as a component of Other comprehensive income (loss).

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The amortized cost and fair value of fixed maturities, including securities pledged, as of December 31, 2015, are shown below by contractual maturity. Actual maturities may differ from contractual maturities as securities may be restructured, called or prepaid. MBS and Other ABS are shown separately because they are not due at a single maturity date.

	<b>Amortized Cost</b>	<b>Fair Value</b>
Due to mature:		
One year or less	\$ 517.8	\$ 526.1
After one year through five years	4,368.7	4,505.6
After five years through ten years	6,569.5	6,598.3
After ten years	7,110.7	7,175.5
Mortgage-backed securities	2,990.0	3,204.1
Other asset-backed securities	240.7	249.2
Fixed maturities, including securities pledged	<u>\$ 21,797.4</u>	<u>\$ 22,258.8</u>

The investment portfolio is monitored to maintain a diversified portfolio on an ongoing basis. Credit risk is mitigated by monitoring concentrations by issuer, sector and geographic stratification and limiting exposure to any one issuer.

As of December 31, 2015 and 2014, the Company did not have any investments in a single issuer, other than obligations of the U.S. Government and government agencies, with a carrying value in excess of 10% of the Company's consolidated Shareholder's equity.

The following tables set forth the composition of the U.S. and foreign corporate securities within the fixed maturity portfolio by industry category as of the dates indicated:

	<b>Amortized Cost</b>	<b>Gross Unrealized Capital Gains</b>	<b>Gross Unrealized Capital Losses</b>	<b>Fair Value</b>
<b><u>December 31, 2015</u></b>				
Communications	\$ 1,218.8	\$ 67.1	\$ 28.6	\$ 1,257.3
Financial	2,651.5	146.8	13.1	2,785.2
Industrial and other companies	7,778.2	267.7	180.7	7,865.2
Energy	2,655.2	26.1	261.8	2,419.5
Utilities	2,150.7	122.1	21.8	2,251.0
Transportation	560.6	14.0	13.8	560.8
Total	<u>\$ 17,015.0</u>	<u>\$ 643.8</u>	<u>\$ 519.8</u>	<u>\$ 17,139.0</u>
<b><u>December 31, 2014</u></b>				
Communications	\$ 1,226.1	\$ 136.8	\$ 2.4	\$ 1,360.5
Financial	2,310.5	221.4	1.6	2,530.3
Industrial and other companies	6,943.6	483.5	43.3	7,383.8
Energy	2,685.1	152.1	48.2	2,789.0
Utilities	1,889.6	193.0	2.8	2,079.8
Transportation	450.7	40.3	1.3	489.7
Total	<u>\$ 15,505.6</u>	<u>\$ 1,227.1</u>	<u>\$ 99.6</u>	<u>\$ 16,633.1</u>

## Voya Retirement Insurance and Annuity Company and Subsidiaries

(A wholly owned subsidiary of Voya Holdings Inc.)

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

#### *Fixed Maturities and Equity Securities*

The Company's fixed maturities and equity securities are currently designated as available-for-sale, except those accounted for using the FVO. Available-for-sale securities are reported at fair value and unrealized capital gains (losses) on these securities are recorded directly in AOCI and presented net of related changes in DAC, VOBA and Deferred income taxes. In addition, certain fixed maturities have embedded derivatives, which are reported with the host contract on the Consolidated Balance Sheets.

The Company has elected the FVO for certain of its fixed maturities to better match the measurement of assets and liabilities in the Consolidated Statements of Operations. Certain CMOs, primarily interest-only and principal-only strips, are accounted for as hybrid instruments and valued at fair value with changes in the fair value recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

The Company invests in various categories of CMOs, including CMOs that are not agency-backed, that are subject to different degrees of risk from changes in interest rates and defaults. The principal risks inherent in holding CMOs are prepayment and extension risks related to significant decreases and increases in interest rates resulting in the prepayment of principal from the underlying mortgages, either earlier or later than originally anticipated. As of December 31, 2015 and 2014, approximately 63.8% and 57.3%, respectively, of the Company's CMO holdings, were invested in the above mentioned types of CMOs such as interest-only or principal-only strips, that are subject to more prepayment and extension risk than traditional CMOs.

Public corporate fixed maturity securities are distinguished from private corporate fixed maturity securities based upon the manner in which they are transacted. Public corporate fixed maturity securities are issued initially through market intermediaries on a registered basis or pursuant to Rule 144A under the Securities Act of 1933 (the "Securities Act") and are traded on the secondary market through brokers acting as principal. Private corporate fixed maturity securities are originally issued by borrowers directly to investors pursuant to Section 4(a)(2) of the Securities Act, and are traded in the secondary market directly with counterparties, either without the participation of a broker or in agency transactions.

#### *Repurchase Agreements*

As of December 31, 2015 and 2014, the Company did not have any securities pledged in dollar rolls, repurchase agreement transactions or reverse repurchase agreements.

#### *Securities Lending*

As of December 31, 2015 and 2014, the fair value of loaned securities was \$178.9 and \$174.9, respectively, and is included in Securities pledged on the Consolidated Balance Sheets. As of December 31, 2015 and 2014, collateral retained by the lending agent and invested in short-term liquid assets on the Company's behalf was \$185.9 and \$182.0, respectively, and is recorded in Short-term investments under securities loan agreements, including collateral delivered on the Consolidated Balance Sheets. As of December 31, 2015 and 2014, liabilities to return collateral of \$185.9 and \$182.0, respectively, is included in Payables under securities loan agreements, including collateral held, on the Consolidated Balance Sheets.

The following table sets forth borrowings under securities lending transactions by class of collateral pledged for the dates indicated:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
U.S. Treasuries	\$ —	\$ 55.7
U.S. corporate public securities	111.7	68.8
Foreign corporate public securities and foreign governments	74.2	57.5
Payables under securities loan agreements	<u>\$ 185.9</u>	<u>\$ 182.0</u>

The Company's securities lending activities are conducted on an overnight basis, and all securities loaned can be recalled at any time. The Company does not offset assets and liabilities associated with its securities lending program.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

*Variable Interest Entities*

The Company holds certain VIEs for investment purposes. VIEs may be in the form of private placement securities, structured securities, securitization transactions, or limited partnerships. The Company has reviewed each of its holdings and determined that consolidation of these investments in the Company's financial statements is not required, as the Company is not the primary beneficiary, because the Company does not have both the power to direct the activities that most significantly impact the entity's economic performance and the obligation or right to potentially significant losses or benefits, for any of its investments in VIEs. The Company did not provide any non-contractual financial support and its carrying value represents the Company's exposure to loss. The carrying value of the equity tranches of the Collateralized loan obligations ("CLOs") of \$0.4 and \$0.7 as of December 31, 2015 and 2014, respectively, is included in Limited partnerships/corporations on the Consolidated Balance Sheets. Income and losses recognized on these investments are reported in Net investment income in the Consolidated Statements of Operations.

*Securitizations*

The Company invests in various tranches of securitization entities, including RMBS, CMBS and ABS. Through its investments, the Company is not obligated to provide any financial or other support to these entities. Each of the RMBS, CMBS and ABS entities are thinly capitalized by design and considered VIEs. The Company's involvement with these entities is limited to that of a passive investor. The Company has no unilateral right to appoint or remove the servicer, special servicer or investment manager, which are generally viewed to have the power to direct the activities that most significantly impact the securitization entities' economic performance, in any of these entities, nor does the Company function in any of these roles. The Company, through its investments or other arrangements, does not have the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the entity. Therefore, the Company is not the primary beneficiary and will not consolidate any of the RMBS, CMBS and ABS entities in which it holds investments. These investments are accounted for as investments available-for-sale as described in the *Business, Basis of Presentation and Significant Accounting Policies* Note to these Consolidated Financial Statements and unrealized capital gains (losses) on these securities are recorded directly in AOCI, except for certain RMBS which are accounted for under the FVO for which changes in fair value are reflected in Other net realized gains (losses) in the Consolidated Statements of Operations. The Company's maximum exposure to loss on these structured investments is limited to the amount of its investment.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

*Unrealized Capital Losses*

Unrealized capital losses (including noncredit impairments), along with the fair value of fixed maturity securities, including securities pledged, by market sector and duration were as follows as of December 31, 2015:

	Six Months or Less Below Amortized Cost		More Than Six Months and Twelve Months or Less Below Amortized Cost		More Than Twelve Months Below Amortized Cost		Total	
	Fair Value	Unrealized Capital Losses	Fair Value	Unrealized Capital Losses	Fair Value	Unrealized Capital Losses	Fair Value	Unrealized Capital Losses
U.S. Treasuries	\$ 69.4	\$ 0.3	\$ —	\$ —	\$ —	\$ —	\$ 69.4	\$ 0.3
U.S. Government, agencies and authorities	—	—	—	—	—	—	—	—
State, municipalities and political subdivisions	191.3	2.2	150.3	5.7	—	—	341.6	7.9
U.S. corporate public securities	1,764.0	67.6	1,708.3	136.4	209.6	52.8	3,681.9	256.8
U.S. corporate private securities	373.2	10.9	410.5	43.8	35.8	7.7	819.5	62.4
Foreign corporate public securities and foreign governments	670.0	33.8	485.8	55.8	195.7	61.9	1,351.5	151.5
Foreign corporate private securities	546.0	42.1	213.3	16.5	19.6	4.9	778.9	63.5
Residential mortgage-backed	116.5	1.7	42.3	0.9	128.4	4.3	287.2	6.9
Commercial mortgage-backed	156.9	1.4	78.8	2.1	—	—	235.7	3.5
Other asset-backed	22.6	0.1	0.4	— *	13.7	1.3	36.7	1.4
<b>Total</b>	<b>\$3,909.9</b>	<b>\$ 160.1</b>	<b>\$3,089.7</b>	<b>\$ 261.2</b>	<b>\$ 602.8</b>	<b>\$ 132.9</b>	<b>\$ 7,602.4</b>	<b>\$ 554.2</b>

\*Less than \$0.1

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Unrealized capital losses (including noncredit impairments), along with the fair value of fixed maturity securities, including securities pledged, by market sector and duration were as follows as of December 31, 2014:

	Six Months or Less Below Amortized Cost		More Than Six Months and Twelve Months or Less Below Amortized Cost		More Than Twelve Months Below Amortized Cost		Total	
	Fair Value	Unrealized Capital Losses	Fair Value	Unrealized Capital Losses	Fair Value	Unrealized Capital Losses	Fair Value	Unrealized Capital Losses
U.S. Treasuries	\$ 12.4	\$ — *	\$ —	\$ —	\$ —	\$ —	\$ 12.4	\$ — *
U.S. Government, agencies and authorities	2.3	— *	—	—	—	—	2.3	— *
State, municipalities and political subdivisions	22.5	0.1	—	—	—	—	22.5	0.1
U.S. corporate public securities	611.8	18.0	14.9	1.4	612.8	20.8	1,239.5	40.2
U.S. corporate private securities	160.3	2.0	19.9	0.1	100.0	6.8	280.2	8.9
Foreign corporate public securities and foreign governments	545.4	33.5	9.7	0.2	324.4	16.6	879.5	50.3
Foreign corporate private securities	125.6	2.2	—	—	25.8	3.5	151.4	5.7
Residential mortgage- backed	94.5	0.7	25.2	0.6	163.1	4.5	282.8	5.8
Commercial mortgage- backed	59.1	0.1	—	—	—	—	59.1	0.1
Other asset- backed	27.0	0.1	—	—	18.4	1.6	45.4	1.7
<b>Total</b>	<b>\$1,660.9</b>	<b>\$ 56.7</b>	<b>\$ 69.7</b>	<b>\$ 2.3</b>	<b>\$1,244.5</b>	<b>\$ 53.8</b>	<b>\$ 2,975.1</b>	<b>\$ 112.8</b>

\*Less than \$0.1

Of the unrealized capital losses aged more than twelve months, the average market value of the related fixed maturities was 81.9% and 95.9% of the average book value as of December 31, 2015 and 2014, respectively.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged, for instances in which fair value declined below amortized cost by greater than or less than 20% for consecutive months as indicated in the tables below, were as follows as of the dates indicated:

	<u>Amortized Cost</u>		<u>Unrealized Capital Losses</u>		<u>Number of Securities</u>	
	<u>&lt; 20%</u>	<u>&gt; 20%</u>	<u>&lt; 20%</u>	<u>&gt; 20%</u>	<u>&lt; 20%</u>	<u>&gt; 20%</u>
<b>December 31, 2015</b>						
Six months or less below amortized cost	\$ 3,980.3	\$ 747.5	\$ 141.7	\$ 211.4	762	104
More than six months and twelve months or less below amortized cost	3,001.4	27.6	156.6	13.4	485	2
More than twelve months below amortized cost	382.5	17.3	26.9	4.2	144	2
Total	<u>\$ 7,364.2</u>	<u>\$ 792.4</u>	<u>\$ 325.2</u>	<u>\$ 229.0</u>	<u>1,391</u>	<u>108</u>
<b>December 31, 2014</b>						
Six months or less below amortized cost	\$ 1,690.4	\$ 59.7	\$ 50.5	\$ 13.2	341	13
More than six months and twelve months or less below amortized cost	115.1	—	6.7	—	34	—
More than twelve months below amortized cost	1,220.5	2.2	41.8	0.6	223	2
Total	<u>\$ 3,026.0</u>	<u>\$ 61.9</u>	<u>\$ 99.0</u>	<u>\$ 13.8</u>	<u>598</u>	<u>15</u>

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Unrealized capital losses (including noncredit impairments) in fixed maturities, including securities pledged, by market sector for instances in which fair value declined below amortized cost by greater than or less than 20% were as follows as of the dates indicated:

	Amortized Cost		Unrealized Capital Losses		Number of Securities	
	< 20%	> 20%	< 20%	> 20%	< 20%	> 20%
<b>December 31, 2015</b>						
U.S. Treasuries	\$ 69.7	\$ —	\$ 0.3	\$ —	14	—
U.S. Government, agencies and authorities	—	—	—	—	—	—
State, municipalities and political subdivisions	349.5	—	7.9	—	117	—
U.S. corporate public securities	3,565.2	373.5	153.5	103.3	651	58
U.S. corporate private securities	791.0	90.9	34.6	27.8	87	4
Foreign corporate public securities and foreign governments	1,211.9	291.1	63.6	87.9	254	40
Foreign corporate private securities	807.3	35.1	53.9	9.6	85	5
Residential mortgage-backed	294.1	—	6.9	—	130	—
Commercial mortgage-backed	239.2	—	3.5	—	38	—
Other asset-backed	36.3	1.8	1.0	0.4	15	1
<b>Total</b>	<b>\$ 7,364.2</b>	<b>\$ 792.4</b>	<b>\$ 325.2</b>	<b>\$ 229.0</b>	<b>1,391</b>	<b>108</b>

**December 31, 2014**

U.S. Treasuries	\$ 12.4	\$ —	\$ — *	\$ —	1	—
U.S. Government, agencies and authorities	2.3	—	— *	—	1	—
State, municipalities and political subdivisions	22.6	—	0.1	—	8	—
U.S. corporate public securities	1,270.1	9.6	38.1	2.1	224	4
U.S. corporate private securities	273.6	15.5	5.3	3.6	30	1
Foreign corporate public securities and foreign governments	903.6	26.2	44.5	5.8	165	5
Foreign corporate private securities	148.7	8.4	4.0	1.7	20	1
Residential mortgage-backed	288.6	— *	5.8	— *	124	2
Commercial mortgage-backed	59.2	—	0.1	—	11	—
Other asset-backed	44.9	2.2	1.1	0.6	14	2
<b>Total</b>	<b>\$ 3,026.0</b>	<b>\$ 61.9</b>	<b>\$ 99.0</b>	<b>\$ 13.8</b>	<b>598</b>	<b>15</b>

\* Less than \$0.1.

Investments with fair values less than amortized cost are included in the Company's other-than-temporary impairments analysis. Impairments were recognized as disclosed in the "Evaluating Securities for Other-Than-Temporary Impairments" section below. The Company evaluates non-agency RMBS and ABS for "other-than-temporary impairments" each quarter based on actual and projected cash flows after considering the quality and updated loan-to-value ratios reflecting current home prices of underlying collateral, forecasted loss severity, the payment priority within the tranche structure of the security and amount of any credit enhancements. The Company's assessment of current levels of cash flows compared to estimated cash flows at the time the securities were acquired (typically pre-2008) indicates the amount and the pace of projected cash flows from the underlying collateral has generally been lower and slower, respectively. However, since cash flows are typically projected at a trust level, the impairment review incorporates the security's position within the trust structure as well as credit enhancement remaining in the trust to determine

**Voya Retirement Insurance and Annuity Company and Subsidiaries****(A wholly owned subsidiary of Voya Holdings Inc.)****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

whether an impairment is warranted. Therefore, while lower and slower cash flows will impact the trust, the effect on the valuation of a particular security within the trust will also be dependent upon the trust structure. Where the assessment continues to project full recovery of principal and interest on schedule, the Company has not recorded an impairment. Based on this analysis, the Company determined that the remaining investments in an unrealized loss position were not other-than-temporarily impaired and therefore no further other-than-temporary impairment was necessary.

*Troubled Debt Restructuring*

The Company invests in high quality, well performing portfolios of commercial mortgage loans and private placements. Under certain circumstances, modifications are granted to these contracts. Each modification is evaluated as to whether a troubled debt restructuring has occurred. A modification is a troubled debt restructuring when the borrower is in financial difficulty and the creditor makes concessions. Generally, the types of concessions may include reducing the face amount or maturity amount of the debt as originally stated, reducing the contractual interest rate, extending the maturity date at an interest rate lower than current market interest rates and/or reducing accrued interest. The Company considers the amount, timing and extent of the concession granted in determining any impairment or changes in the specific valuation allowance recorded in connection with the troubled debt restructuring. A valuation allowance may have been recorded prior to the quarter when the loan is modified in a troubled debt restructuring. Accordingly, the carrying value (net of the specific valuation allowance) before and after modification through a troubled debt restructuring may not change significantly, or may increase if the expected recovery is higher than the pre-modification recovery assessment. As of December 31, 2015 and 2014, the Company had no new troubled debt restructurings for private placement or commercial mortgage loans.

As of December 31, 2015 the Company held 8 commercial mortgage troubled debt restructured loans with a carrying value of \$5.9. These 8 commercial mortgage loans were restructured in August 2013 with a pre-modification and post modification carrying value of \$18.6. These loans represent what remains of an initial portfolio of 20 restructures with a pre-modification and post modification carrying value of \$39.4. This portfolio of loans is comprised of cross-defaulted, cross-collateralized individual loans, which are owned by the same sponsor. Between the date of the troubled debt restructurings and December 31, 2015, these loans have repaid \$33.5 in principal.

As of December 31, 2015 and 2014, the Company did not have any commercial mortgage loans or private placements modified in a troubled debt restructuring with a subsequent payment default.

*Mortgage Loans on Real Estate*

The Company's mortgage loans on real estate are all commercial mortgage loans held for investment, which are reported at amortized cost, less impairment write-downs and allowance for losses. The Company diversifies its commercial mortgage loan portfolio by geographic region and property type to reduce concentration risk. The Company manages risk when originating commercial mortgage loans by generally lending only up to 75% of the estimated fair value of the underlying real estate. Subsequently, the Company continuously evaluates mortgage loans based on relevant current information including a review of loan-specific credit quality, property characteristics and market trends. Loan performance is monitored on a loan specific basis through the review of submitted appraisals, operating statements, rent revenues and annual inspection reports, among other items. This review ensures properties are performing at a consistent and acceptable level to secure the debt. The components to evaluate debt service coverage are received and reviewed at least annually to determine the level of risk.

The following table summarizes the Company's investment in mortgage loans as of the dates indicated:

	December 31, 2015			December 31, 2014		
	Impaired	Non Impaired	Total	Impaired	Non Impaired	Total
Commercial mortgage loans	\$ 10.7	\$ 3,719.6	\$ 3,730.3	\$ 32.4	\$ 3,481.7	\$ 3,514.1
Collective valuation allowance for losses	N/A	(1.2)	(1.2)	N/A	(1.1)	(1.1)
Total net commercial mortgage loans	\$ 10.7	\$ 3,718.4	\$ 3,729.1	\$ 32.4	\$ 3,480.6	\$ 3,513.0

N/A - Not Applicable

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

There were no impairments taken on the mortgage loan portfolio for the years ended December 31, 2015 and 2014.

The following table summarizes the activity in the allowance for losses for commercial mortgage loans for the periods indicated:

	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Collective valuation allowance for losses, balance at January 1	\$ 1.1	\$ 1.2
Addition to (reduction of) allowance for losses	0.1	(0.1)
Collective valuation allowance for losses, end of period	<u>\$ 1.2</u>	<u>\$ 1.1</u>

The carrying values and unpaid principal balances of impaired mortgage loans were as follows as of the dates indicated:

	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Impaired loans without allowances for losses	\$ 10.7	\$ 32.4
Less: Allowances for losses on impaired loans	—	—
Impaired loans, net	<u>\$ 10.7</u>	<u>\$ 32.4</u>
Unpaid principal balance of impaired loans	<u>\$ 12.2</u>	<u>\$ 33.9</u>

As of December 31, 2015 and 2014 the Company did not have any impaired loans with allowances for losses.

The following table presents information on restructured loans as of the dates indicated:

	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Troubled debt restructured loans	\$ 5.9	\$ 27.3

There were no mortgage loans in the Company's portfolio in process of foreclosure as of December 31, 2015 and 2014.

There were two loans 30 days or less in arrears, with respect to principal and interest as of December 31, 2015, with a total amortized cost of \$1.0. There were no loans in arrears, with respect to principal and interest as of December 31, 2014.

The following table presents information on the average investment during the period in impaired loans and interest income recognized on impaired and troubled debt restructured loans for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Impaired loans, average investment during the period (amortized cost) <sup>(1)</sup>	\$ 21.6	\$ 37.6	\$ 24.2
Interest income recognized on impaired loans, on an accrual basis <sup>(1)</sup>	1.2	2.2	1.4
Interest income recognized on impaired loans, on a cash basis <sup>(1)</sup>	1.3	2.1	1.4
Interest income recognized on troubled debt restructured loans, on an accrual basis	0.8	1.8	1.0

<sup>(1)</sup> Includes amounts for Troubled debt restructured loans.

Loan-to-value ("LTV") and debt service coverage ("DSC") ratios are measures commonly used to assess the risk and quality of mortgage loans. The LTV ratio, calculated at time of origination, is expressed as a percentage of the amount of the loan relative to the value of the underlying property. A LTV ratio in excess of 100% indicates the unpaid loan amount exceeds the underlying collateral. The DSC ratio, based upon the most recently received financial statements, is expressed as a percentage of the amount of a property's net income to its debt service payments. A DSC ratio of less than 1.0 indicates that property's operations do not generate sufficient income to cover debt payments. These ratios are utilized as part of the review process described above.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table presents the LTV ratios as of the dates indicated:

	<u>December 31, 2015</u> <sup>(1)</sup>	<u>December 31, 2014</u> <sup>(1)</sup>
Loan-to-Value Ratio:		
0% - 50%	\$ 395.1	\$ 411.0
>50% - 60%	969.4	824.1
>60% - 70%	2,158.2	2,107.9
>70% - 80%	204.8	159.7
>80% and above	2.8	11.4
Total Commercial mortgage loans	<u>\$ 3,730.3</u>	<u>\$ 3,514.1</u>

<sup>(1)</sup> Balances do not include collective valuation allowance for losses.

The following table presents the DSC ratios as of the dates indicated:

	<u>December 31, 2015</u> <sup>(1)</sup>	<u>December 31, 2014</u> <sup>(1)</sup>
Debt Service Coverage Ratio:		
Greater than 1.5x	\$ 2,957.7	\$ 2,600.1
>1.25x - 1.5x	494.5	520.0
>1.0x - 1.25x	208.6	258.7
Less than 1.0x	38.6	131.3
Commercial mortgage loans secured by land or construction loans	30.9	4.0
Total Commercial mortgage loans	<u>\$ 3,730.3</u>	<u>\$ 3,514.1</u>

<sup>(1)</sup> Balances do not include collective valuation allowance for losses.

Properties collateralizing mortgage loans are geographically dispersed throughout the United States, as well as diversified by property type, as reflected in the following tables as of the dates indicated:

	<u>December 31, 2015</u> <sup>(1)</sup>		<u>December 31, 2014</u> <sup>(1)</sup>	
	<u>Gross Carrying Value</u>	<u>% of Total</u>	<u>Gross Carrying Value</u>	<u>% of Total</u>
Commercial Mortgage Loans by U.S. Region:				
Pacific	\$ 867.5	23.3%	\$ 802.6	22.8%
South Atlantic	857.3	23.0%	746.5	21.2%
Middle Atlantic	556.1	14.9%	505.8	14.4%
West South Central	414.8	11.1%	448.4	12.8%
Mountain	304.1	8.2%	274.0	7.8%
East North Central	380.8	10.2%	355.3	10.1%
New England	81.4	2.2%	74.8	2.1%
West North Central	208.6	5.6%	219.6	6.3%
East South Central	59.7	1.5%	87.1	2.5%
Total Commercial mortgage loans	<u>\$ 3,730.3</u>	<u>100.0%</u>	<u>\$ 3,514.1</u>	<u>100.0%</u>

<sup>(1)</sup> Balances do not include collective valuation allowance for losses.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

	December 31, 2015 <sup>(1)</sup>		December 31, 2014 <sup>(1)</sup>	
	Gross Carrying Value	% of Total	Gross Carrying Value	% of Total
Commercial Mortgage Loans by Property Type:				
Retail	\$ 1,330.8	35.7%	\$ 1,236.4	35.2%
Industrial	741.3	19.9%	796.8	22.7%
Apartments	630.4	16.9%	550.6	15.7%
Office	586.3	15.7%	443.1	12.6%
Hotel/Motel	177.6	4.7%	149.7	4.2%
Mixed Use	47.1	1.3%	142.8	4.1%
Other	216.8	5.8%	194.7	5.5%
Total Commercial mortgage loans	<u>\$ 3,730.3</u>	<u>100.0%</u>	<u>\$ 3,514.1</u>	<u>100.0%</u>

<sup>(1)</sup> Balances do not include collective valuation allowance for losses.

The following table sets forth the breakdown of mortgages by year of origination as of the dates indicated:

	December 31, 2015 <sup>(1)</sup>	December 31, 2014 <sup>(1)</sup>
Year of Origination:		
2015	\$ 745.3	\$ —
2014	558.0	580.0
2013	709.2	758.8
2012	748.2	854.5
2011	553.2	674.4
2010	48.4	66.0
2009 and prior	368.0	580.4
Total Commercial mortgage loans	<u>\$ 3,730.3</u>	<u>\$ 3,514.1</u>

<sup>(1)</sup> Balances do not include collective valuation allowance for losses.

*Evaluating Securities for Other-Than-Temporary Impairments*

The Company performs a regular evaluation, on a security-by-security basis, of its available-for-sale securities holdings, including fixed maturity securities and equity securities in accordance with its impairment policy in order to evaluate whether such investments are other-than-temporarily impaired.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table identifies the Company's credit-related and intent-related impairments included in the Consolidated Statements of Operations, excluding impairments included in Other comprehensive income (loss) by type for the periods indicated:

	Year Ended December 31,					
	2015		2014		2013	
	Impairment	No. of Securities	Impairment	No. of Securities	Impairment	No. of Securities
U.S. corporate public securities	\$ 8.5	8	\$ 1.7	3	\$ —	—
Foreign corporate public securities and foreign governments <sup>(1)</sup>	34.2	9	3.7	7	1.8	1
Foreign corporate private securities <sup>(1)</sup>	0.7	1	—	—	—	—
Residential mortgage-backed	2.4	26	1.6	26	3.4	35
Commercial mortgage-backed	—	—	0.1	2	0.3	3
Other asset-backed	0.1	1	— *	1	0.3	2
Equity securities	—	—	—	—	0.1	1
Total	\$ 45.9	45	\$ 7.1	39	\$ 5.9	42

\* Less than \$0.1.

<sup>(1)</sup> Primarily U.S. dollar denominated.

The above tables include \$3.8, \$1.6 and \$4.8 of write-downs related to credit impairments for the years ended December 31, 2015, 2014 and 2013, respectively, in Other-than-temporary impairments, which are recognized in the Consolidated Statements of Operations. The remaining \$42.1, \$5.5 and \$1.1 in write-downs for the years ended December 31, 2015, 2014 and 2013, respectively, are related to intent impairments.

The following table summarizes these intent impairments, which are also recognized in earnings, by type for the periods indicated:

	Year Ended December 31,					
	2015		2014		2013	
	Impairment	No. of Securities	Impairment	No. of Securities	Impairment	No. of Securities
U.S. corporate public securities	\$ 8.5	7	\$ 1.6	3	\$ —	—
Foreign corporate public securities and foreign governments <sup>(1)</sup>	32.5	8	3.7	7	—	—
Foreign corporate private securities <sup>(1)</sup>	—	—	—	—	—	—
Residential mortgage-backed	1.1	5	0.1	3	0.8	6
Commercial mortgage-backed	—	—	0.1	2	0.3	3
Other asset-backed	—	—	—	—	—	—
Equity securities	—	—	—	—	—	—
Total	\$ 42.1	20	\$ 5.5	15	\$ 1.1	9

<sup>(1)</sup> Primarily U.S. dollar denominated.

**Voya Retirement Insurance and Annuity Company and Subsidiaries****(A wholly owned subsidiary of Voya Holdings Inc.)****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The Company may sell securities during the period in which fair value has declined below amortized cost for fixed maturities or cost for equity securities. In certain situations, new factors, including changes in the business environment, can change the Company's previous intent to continue holding a security. Accordingly, these factors may lead the Company to record additional intent related capital losses.

The following table identifies the amount of credit impairments on fixed maturities for which a portion of the OTTI loss was recognized in Other comprehensive income (loss) and the corresponding changes in such amounts for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Balance at January 1	\$ 22.4	\$ 28.0	\$ 28.4
Additional credit impairments:			
On securities not previously impaired	—	0.7	1.1
On securities previously impaired	1.3	0.9	1.8
Reductions:			
Increase in cash flows	0.2	0.6	—
Securities sold, matured, prepaid or paid down	4.2	6.6	3.3
Balance at December 31	<u>\$ 19.3</u>	<u>\$ 22.4</u>	<u>\$ 28.0</u>

*Net Investment Income*

The following table summarizes Net investment income for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fixed maturities	\$ 1,230.0	\$ 1,216.3	\$ 1,199.4
Equity securities, available-for-sale	4.2	7.1	2.8
Mortgage loans on real estate	194.6	172.7	157.1
Policy loans	12.0	13.3	13.1
Short-term investments and cash equivalents	0.6	0.5	0.9
Other	21.9	30.6	42.6
Gross investment income	<u>1,463.3</u>	<u>1,440.5</u>	<u>1,415.9</u>
Less: investment expenses	53.5	51.1	48.9
Net investment income	<u>\$ 1,409.8</u>	<u>\$ 1,389.4</u>	<u>\$ 1,367.0</u>

As of December 31, 2015, the Company had \$1.1 of investments in fixed maturities that did not produce net investment income. As of December 31, 2014, the Company did not have any investments in fixed maturities that did not produce net investment income. Fixed maturities are moved to a non-accrual status when the investment defaults.

Interest income on fixed maturities is recorded when earned using an effective yield method, giving effect to amortization of premiums and accretion of discounts. Such interest income is recorded in Net investment income in the Consolidated Statements of Operations.

*Net Realized Capital Gains (Losses)*

Net realized capital gains (losses) comprise the difference between the amortized cost of investments and proceeds from sale and redemption, as well as losses incurred due to the credit-related and intent-related other-than-temporary impairment of investments. Realized investment gains and losses are also primarily generated from changes in fair value of embedded derivatives within products and fixed maturities, changes in fair value of fixed maturities recorded at FVO and changes in fair value including accruals

**Voya Retirement Insurance and Annuity Company and Subsidiaries****(A wholly owned subsidiary of Voya Holdings Inc.)****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

on derivative instruments, except for effective cash flow hedges. The cost of the investments on disposal is generally determined based on FIFO methodology.

Net realized capital gains (losses) were as follows for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fixed maturities, available-for-sale, including securities pledged	\$ (65.2)	\$ (14.7)	\$ 0.3
Fixed maturities, at fair value option	(141.2)	(74.6)	(151.5)
Equity securities, available-for-sale	(0.3)	1.3	0.1
Derivatives	(13.7)	50.6	(72.1)
Embedded derivatives - fixed maturities	(4.4)	(1.2)	(24.7)
Guaranteed benefit derivatives	(52.4)	(101.2)	105.5
Other investments	—	0.2	0.2
Net realized capital gains (losses)	<u>\$ (277.2)</u>	<u>\$ (139.6)</u>	<u>\$ (142.2)</u>
After-tax net realized capital gains (losses)	<u>\$ (180.2)</u>	<u>\$ (90.7)</u>	<u>\$ (160.0)</u>

Proceeds from the sale of fixed maturities and equity securities, available-for-sale and the related gross realized gains and losses, before tax were as follows for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Proceeds on sales	\$ 1,835.4	\$ 1,616.3	\$ 1,830.0
Gross gains	24.6	24.4	23.8
Gross losses	48.7	35.2	22.1

**3. Derivative Financial Instruments**

The Company enters into the following types of derivatives:

*Interest rate caps:* The Company uses interest rate cap contracts to hedge the interest rate exposure arising from duration mismatches between assets and liabilities. Interest rate caps are also used to hedge interest rate exposure if rates rise above a specified level. Such increases in rates will require the Company to incur additional expenses. The future payout from the interest rate caps fund this increased exposure. The Company pays an upfront premium to purchase these caps. The Company utilizes these contracts in non-qualifying hedging relationships.

*Interest rate swaps:* Interest rate swaps are used by the Company primarily to reduce market risks from changes in interest rates and to alter interest rate exposure arising from mismatches between assets and/or liabilities. Interest rate swaps are also used to hedge the interest rate risk associated with the value of assets it owns or in an anticipation of acquiring them. Using interest rate swaps, the Company agrees with another party to exchange, at specified intervals, the difference between fixed rate and floating rate interest payments, calculated by reference to an agreed upon notional principal amount. These transactions are entered into pursuant to master agreements that provide for a single net payment to be made to/from the counterparty at each due date. The Company utilizes these contracts in qualifying hedging relationships as well as non-qualifying hedging relationships.

*Foreign exchange swaps:* The Company uses foreign exchange or currency swaps to reduce the risk of change in the value, yield or cash flows associated with certain foreign denominated invested assets. Foreign exchange swaps represent contracts that require the exchange of foreign currency cash flows against U.S. dollar cash flows at regular periods, typically quarterly or semi-annually. The Company utilizes these contracts in qualifying hedging relationships as well as non-qualifying hedging relationships.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

*Credit default swaps:* Credit default swaps are used to reduce credit loss exposure with respect to certain assets that the Company owns or to assume credit exposure on certain assets that the Company does not own. Payments are made to, or received from, the counterparty at specified intervals. In the event of a default on the underlying credit exposure, the Company will either receive a payment (purchased credit protection) or will be required to make a payment (sold credit protection) equal to the par minus recovery value of the swap contract. The Company utilizes these contracts in non-qualifying hedging relationships.

*Currency forwards:* The Company utilizes currency forward contracts to hedge currency exposure related to invested assets. The Company utilizes these contracts in non-qualifying hedging relationships.

*Forwards:* The Company uses forward contracts to hedge certain invested assets against movement in interest rates, particularly mortgage rates. The Company uses To-Be-Announced mortgage-backed securities as an economic hedge against rate movements. The Company utilizes forward contracts in non-qualifying hedging relationships.

*Futures:* Futures contracts are used to hedge against a decrease in certain equity indices. Such decreases may result in a decrease in variable annuity account values which would increase the possibility of the Company incurring an expense for guaranteed benefits in excess of account values. The Company also uses futures contracts as a hedge against an increase in certain equity indices. Such increases may result in increased payments to the holders of the FIA contracts. The Company also uses interest rate futures contracts to hedge its exposure to market risks due to changes in interest rates. The Company enters into exchange traded futures with regulated futures commissions that are members of the exchange. The Company also posts initial and variation margins, with the exchange, on a daily basis. The Company utilizes exchange-traded futures in non-qualifying hedging relationships.

*Swaptions:* A swaption is an option to enter into a swap with a forward starting effective date. The Company uses swaptions to hedge the interest rate exposure associated with the minimum crediting rate and book value guarantees embedded in the retirement products that the Company offers. Increases in interest rates will generate losses on assets that are backing such liabilities. In certain instances, the Company locks in the economic impact of existing purchased swaptions by entering into offsetting written swaptions. Swaptions are also used to hedge against an increase in the interest rate benchmarked crediting strategies within FIA contracts. Such increases may result in increased payments to contract holders of FIA contracts and the interest rate swaptions offset this increased exposure. The Company pays a premium when it purchases the swaption. The Company utilizes these contracts in non-qualifying hedging relationships.

*Managed custody guarantees ("MCG"):* The Company issues certain credited rate guarantees on variable fixed income portfolios that represent stand-alone derivatives. The market value is partially determined by, among other things, levels of or changes in interest rates, prepayment rates and credit ratings/spreads.

*Embedded derivatives:* The Company also invests in certain fixed maturity instruments and has issued certain products that contain embedded derivatives whose market value is at least partially determined by, among other things, levels of or changes in domestic and/or foreign interest rates (short-term or long-term), exchange rates, prepayment rates, equity rates, or credit ratings/spreads. In addition, the Company has entered into coinsurance with funds withheld arrangements, which contain embedded derivatives.

The Company's use of derivatives is limited mainly to economic hedging to reduce the Company's exposure to cash flow variability of assets and liabilities, interest rate risk, credit risk, exchange rate risk and market risk. It is the Company's policy not to offset amounts recognized for derivative instruments and amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement, which provides the Company with the legal right of offset.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The notional amounts and fair values of derivatives were as follows as of the dates indicated:

	December 31, 2015			December 31, 2014		
	Notional Amount	Asset Fair Value	Liability Fair Value	Notional Amount	Asset Fair Value	Liability Fair Value
<b>Derivatives: Qualifying for hedge accounting<sup>(1)</sup></b>						
Cash flow hedges:						
Interest rate contracts	\$ 285.3	\$ 60.1	\$ —	\$ 513.3	\$ 104.4	\$ —
Foreign exchange contracts	51.2	10.7	—	51.2	7.7	—
<b>Derivatives: Non-qualifying for hedge accounting<sup>(1)</sup></b>						
Interest rate contracts	25,309.1	362.3	104.0	27,632.9	432.8	209.2
Foreign exchange contracts	144.6	13.9	10.7	130.1	10.6	7.7
Equity contracts	15.9	—	0.1	14.0	—	0.1
Credit contracts	407.5	3.3	0.3	384.0	6.5	—
<b>Embedded derivatives and Managed custody guarantees:</b>						
Within fixed maturity investments	N/A	23.4	—	N/A	27.8	—
Within products	N/A	—	184.1	N/A	—	129.2
Within reinsurance agreements	N/A	—	(71.6)	N/A	—	(13.0)
Managed custody guarantees	N/A	—	0.3	N/A	—	—
<b>Total</b>		<u>\$ 473.7</u>	<u>\$ 227.9</u>		<u>\$ 589.8</u>	<u>\$ 333.2</u>

<sup>(1)</sup> Open derivative contracts are reported as Derivatives assets or liabilities on the Consolidated Balance Sheets at fair value.

N/A - Not Applicable

The maximum length of time over which the Company is hedging its exposure to the variability in future cash flows for forecasted transactions is through the fourth quarter of 2016.

Based on the notional amounts, a substantial portion of the Company's derivative positions was not designated or did not qualify for hedge accounting as part of a hedging relationship as of December 31, 2015 and 2014. The Company utilizes derivative contracts mainly to hedge exposure to variability in cash flows, interest rate risk, credit risk, foreign exchange risk and equity market risk. The majority of derivatives used by the Company are designated as product hedges, which hedge the exposure arising from insurance liabilities or guarantees embedded in the contracts the Company offers through various product lines. These derivatives do not qualify for hedge accounting as they do not meet the criteria of being "highly effective" as outlined in ASC Topic 815, but do provide an economic hedge, which is in line with the Company's risk management objectives. The Company also uses derivatives contracts to hedge its exposure to various risks associated with the investment portfolio. The Company does not seek hedge accounting treatment for certain of these derivatives as they generally do not qualify for hedge accounting due to the criteria required under the portfolio hedging rules outlined in ASC Topic 815. The Company also uses credit default swaps coupled with other investments in order to produce the investment characteristics of otherwise permissible investments that do not qualify as effective accounting hedges under ASC Topic 815.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Although the Company has not elected to net its derivative exposures, the notional amounts and fair values of Over-The-Counter ("OTC") and cleared derivatives excluding exchange traded contracts and forward contracts (To Be Announced mortgage-backed securities) are presented in the tables below as of the dates indicated:

	<b>December 31, 2015</b>		
	<b>Notional Amount</b>	<b>Asset Fair Value</b>	<b>Liability Fair Value</b>
Credit contracts	\$ 407.5	\$ 3.3	\$ 0.3
Foreign exchange contracts	195.8	24.6	10.7
Interest rate contracts	22,965.5	422.4	103.4
		450.3	114.4
Counterparty netting <sup>(1)</sup>		(111.7)	(111.7)
Cash collateral netting <sup>(1)</sup>		(298.0)	(0.3)
Securities collateral netting <sup>(1)</sup>		(11.0)	(2.4)
Net receivables/payables		\$ 29.6	\$ —

<sup>(1)</sup>Represents the netting of receivable balances with payable balances, net of collateral, for the same counterparty under eligible netting agreements.

	<b>December 31, 2014</b>		
	<b>Notional Amount</b>	<b>Asset Fair Value</b>	<b>Liability Fair Value</b>
Credit contracts	\$ 384.0	\$ 6.5	\$ —
Foreign exchange contracts	181.3	18.3	7.7
Interest rate contracts	28,146.2	537.2	209.2
		562.0	216.9
Counterparty netting <sup>(1)</sup>		(216.2)	(216.2)
Cash collateral netting <sup>(1)</sup>		(291.5)	—
Securities collateral netting <sup>(1)</sup>		(6.6)	—
Net receivables/payables		\$ 47.7	\$ 0.7

<sup>(1)</sup>Represents the netting of receivable balances with payable balances, net of collateral, for the same counterparty under eligible netting agreements.

*Collateral*

Under the terms of the OTC Derivative International Swaps and Derivatives Association, Inc. ("ISDA") agreements, the Company may receive from, or deliver to, counterparties collateral to assure that terms of the ISDA agreements will be met with regard to the Credit Support Annex ("CSA"). The terms of the CSA call for the Company to pay interest on any cash received equal to the Federal Funds rate. To the extent cash collateral is received and delivered, it is included in Payables under securities loan agreements, including collateral held and Short-term investments under securities loan agreements, including collateral delivered, respectively, on the Consolidated Balance Sheets and is reinvested in short-term investments. Collateral held is used in accordance with the CSA to satisfy any obligations. Investment grade bonds owned by the Company are the source of noncash collateral posted, which is reported in Securities pledged on the Consolidated Balance Sheets. As of December 31, 2015, the Company held \$120.3 and \$179.5 of net cash collateral related to OTC derivative contracts and cleared derivative contracts, respectively. As of December 31, 2014, the Company held \$161.5 and \$130.2 of net cash collateral related to OTC derivative contracts and cleared derivative contracts, respectively. In addition, as of December 31, 2015, the Company delivered \$70.3 of securities and held \$11.1 of securities as collateral. As of December 31, 2014, the Company delivered \$60.4 of securities and held \$6.6 of securities as collateral.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Notes to the Consolidated Financial Statements**  
(Dollar amounts in millions, unless otherwise stated)

Net realized gains (losses) on derivatives were as follows for the periods indicated:

	Year Ended December 31,		
	2015	2014	2013
<b>Derivatives: Qualifying for hedge accounting<sup>(1)</sup></b>			
Cash flow hedges:			
Interest rate contracts	\$ 0.7	\$ 0.2	\$ 0.2
Foreign exchange contracts	0.6	0.5	0.1
<b>Derivatives: Non-qualifying for hedge accounting<sup>(2)</sup></b>			
Interest rate contracts	(16.1)	41.0	(92.8)
Foreign exchange contracts	1.3	4.8	10.0
Equity contracts	(0.7)	1.8	3.4
Credit contracts	0.5	2.3	7.0
<b>Embedded derivatives:</b>			
Within fixed maturity investments <sup>(2)</sup>	(4.4)	(1.2)	(24.7)
Within products <sup>(2)</sup>	(52.3)	(101.4)	105.3
Within reinsurance agreements <sup>(3)</sup>	58.5	(41.0)	54.0
Managed custody guarantees <sup>(2)</sup>	(0.1)	0.2	0.2
<b>Total</b>	<b>\$ (12.0)</b>	<b>\$ (92.8)</b>	<b>\$ 62.7</b>

<sup>(1)</sup> Changes in value for effective fair value hedges are recorded in Other net realized capital gains (losses). Changes in fair value upon disposal for effective cash flow hedges are amortized through Net investment income and the ineffective portion is recorded in Other net realized capital gains (losses) in the Consolidated Statements of Operations. For the years ended December 31, 2015, 2014 and 2013, ineffective amounts were immaterial.

<sup>(2)</sup> Changes in value are included in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

<sup>(3)</sup> Changes in value are included in Interest credited and other benefits to contract owners/policyholders in the Consolidated Statements of Operations.

#### *Credit Default Swaps*

The Company has entered into various credit default swaps. When credit default swaps are sold, the Company assumes credit exposure to certain assets that it does not own. Credit default swaps may also be purchased to reduce credit exposure in the Company's portfolio. Credit default swaps involve a transfer of credit risk from one party to another in exchange for periodic payments. As of December 31, 2015, the fair value of credit default swaps of \$3.3 and \$0.3 were included in Derivatives assets and Derivatives liabilities, respectively, on the Consolidated Balance Sheets. As of December 31, 2014, the fair value of credit default swaps of \$6.5 were included in Derivatives assets and there were no credit default swaps included in Derivatives liabilities on the Consolidated Balance Sheets. As of December 31, 2015 and 2014, the maximum potential future exposure to the Company was \$384.0 on credit default swaps. These instruments are typically written for a maturity period of 5 years and contain no recourse provisions. If the Company's current debt and claims paying ratings were downgraded in the future, the terms in the Company's derivative agreements may be triggered, which could negatively impact overall liquidity.

#### **4. Fair Value Measurements**

##### *Fair Value Measurement*

The Company categorizes its financial instruments into a three-level hierarchy based on the priority of the inputs to the valuation technique, pursuant to ASU 2011-04, "Fair Value Measurements (ASC Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP" ("ASU 2011-04"). The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded at fair value on the Consolidated Balance Sheets are categorized as follows:

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in an active market. The Company defines an active market as a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Quoted prices in markets that are not active or valuation techniques that require inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
  - a) Quoted prices for similar assets or liabilities in active markets;
  - b) Quoted prices for identical or similar assets or liabilities in non-active markets;
  - c) Inputs other than quoted market prices that are observable; and
  - d) Inputs that are derived principally from or corroborated by observable market data through correlation or other means.
- Level 3 - Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability.

When available, the estimated fair value of financial instruments is based on quoted prices in active markets that are readily and regularly obtainable. When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, including discounted cash flow methodologies, matrix pricing or other similar techniques.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**
**(A wholly owned subsidiary of Voya Holdings Inc.)**
**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
Fixed maturities, including securities pledged:				
U.S. Treasuries	\$ 660.4	\$ 61.0	\$ —	\$ 721.4
U.S. Government agencies and authorities	—	4.3	—	4.3
State, municipalities and political subdivisions	—	595.8	—	595.8
U.S. corporate public securities	—	9,598.2	2.3	9,600.5
U.S. corporate private securities	—	1,963.5	396.4	2,359.9
Foreign corporate public securities and foreign governments <sup>(1)</sup>	—	2,811.7	0.5	2,812.2
Foreign corporate private securities <sup>(1)</sup>	—	2,553.3	158.1	2,711.4
Residential mortgage-backed securities	—	1,901.0	28.2	1,929.2
Commercial mortgage-backed securities	—	1,262.3	12.6	1,274.9
Other asset-backed securities	—	236.1	13.1	249.2
Total fixed maturities, including securities pledged	<u>660.4</u>	<u>20,987.2</u>	<u>611.2</u>	<u>22,258.8</u>
Equity securities, available-for-sale	83.8	—	47.5	131.3
<b>Derivatives:</b>				
Interest rate contracts	—	422.4	—	422.4
Foreign exchange contracts	—	24.6	—	24.6
Equity contracts	—	—	—	—
Credit contracts	—	3.3	—	3.3
Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements	902.6	—	—	902.6
Assets held in separate accounts	54,283.0	4,623.6	4.0	58,910.6
Total assets	<u>\$ 55,929.8</u>	<u>\$ 26,061.1</u>	<u>\$ 662.7</u>	<u>\$ 82,653.6</u>
<b>Liabilities:</b>				
<b>Derivatives:</b>				
<b>Guaranteed benefit derivatives:</b>				
FIA	\$ —	\$ —	\$ 23.1	\$ 23.1
Stabilizer and MCGs	—	—	161.3	161.3
<b>Other derivatives:</b>				
Interest rate contracts	0.6	103.4	—	104.0
Foreign exchange contracts	—	10.7	—	10.7
Equity contracts	0.1	—	—	0.1
Credit contracts	—	0.3	—	0.3
Embedded derivative on reinsurance	—	(71.6)	—	(71.6)
Total liabilities	<u>\$ 0.7</u>	<u>\$ 42.8</u>	<u>\$ 184.4</u>	<u>\$ 227.9</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Fixed maturities, including securities pledged:				
U.S. Treasuries	\$ 712.9	\$ 60.2	\$ —	\$ 773.1
U.S. Government agencies and authorities	—	46.6	—	46.6
State, municipalities and political subdivisions	—	277.2	—	277.2
U.S. corporate public securities	—	9,049.3	19.3	9,068.6
U.S. corporate private securities	—	1,795.9	355.5	2,151.4
Foreign corporate public securities and foreign governments <sup>(1)</sup>	—	2,887.1	—	2,887.1
Foreign corporate private securities <sup>(1)</sup>	—	2,725.1	165.7	2,890.8
Residential mortgage-backed securities	—	2,026.1	17.3	2,043.4
Commercial mortgage-backed securities	—	1,059.0	19.0	1,078.0
Other asset-backed securities	—	398.0	2.4	400.4
Total fixed maturities, including securities pledged	712.9	20,324.5	579.2	21,616.6
Equity securities, available-for-sale	85.3	—	36.6	121.9
Derivatives:				
Interest rate contracts	—	537.2	—	537.2
Foreign exchange contracts	—	18.3	—	18.3
Equity contracts	—	—	—	—
Credit contracts	—	6.5	—	6.5
Cash and cash equivalents, short-term investments and short-term investments under securities loan agreements	1,046.6	—	1.5	1,048.1
Assets held in separate accounts	57,492.6	5,313.1	2.4	62,808.1
Total assets	<u>\$ 59,337.4</u>	<u>\$ 26,199.6</u>	<u>\$ 619.7</u>	<u>\$ 86,156.7</u>
Liabilities:				
Derivatives:				
Guaranteed benefit derivatives:				
FIA	\$ —	\$ —	\$ 26.3	\$ 26.3
Stabilizer and MCGs	—	—	102.9	102.9
Other derivatives:				
Interest rate contracts	—	209.2	—	209.2
Foreign exchange contracts	—	7.7	—	7.7
Equity contracts	0.1	—	—	0.1
Credit contracts	—	—	—	—
Embedded derivative on reinsurance	—	(13.0)	—	(13.0)
Total liabilities	<u>\$ 0.1</u>	<u>\$ 203.9</u>	<u>\$ 129.2</u>	<u>\$ 333.2</u>

<sup>(1)</sup> Primarily U.S. dollar denominated.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

*Valuation of Financial Assets and Liabilities at Fair Value*

Certain assets and liabilities are measured at estimated fair value on the Company's Consolidated Balance Sheets. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The exit price and the transaction (or entry) price will be the same at initial recognition in many circumstances. However, in certain cases, the transaction price may not represent fair value. The fair value of a liability is based on the amount that would be paid to transfer a liability to a third-party with an equal credit standing. Fair value is required to be a market-based measurement that is determined based on a hypothetical transaction at the measurement date, from a market participant's perspective. The Company considers three broad valuation techniques when a quoted price is unavailable: (i) the market approach, (ii) the income approach and (iii) the cost approach. The Company determines the most appropriate valuation technique to use, given the instrument being measured and the availability of sufficient inputs. The Company prioritizes the inputs to fair valuation techniques and allows for the use of unobservable inputs to the extent that observable inputs are not available.

The Company utilizes a number of valuation methodologies to determine the fair values of its financial assets and liabilities in conformity with the concepts of exit price and the fair value hierarchy as prescribed in ASC Topic 820. Valuations are obtained from third-party commercial pricing services, brokers and industry-standard, vendor-provided software that models the value based on market observable inputs. The valuations obtained from third-party commercial pricing services are non-binding. The Company reviews the assumptions and inputs used by third-party commercial pricing services for each reporting period in order to determine an appropriate fair value hierarchy level. The documentation and analysis obtained from third-party commercial pricing services are reviewed by the Company, including in-depth validation procedures confirming the observability of inputs. The valuations are reviewed and validated monthly through the internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades or monitoring of trading volumes.

The following valuation methods and assumptions were used by the Company in estimating the reported values for the investments and derivatives described below:

*Fixed maturities:* The fair values for actively traded marketable bonds are determined based upon the quoted market prices and are classified as Level 1 assets. Assets in this category primarily include certain U.S. Treasury securities.

For fixed maturities classified as Level 2 assets, fair values are determined using a matrix-based market approach, based on prices obtained from third-party commercial pricing services and the Company's matrix and analytics-based pricing models, which in each case incorporate a variety of market observable information as valuation inputs. The market observable inputs used for these fair value measurements, by fixed maturity asset class, are as follows:

*U.S. Treasuries:* Fair value is determined using third-party commercial pricing services, with the primary inputs being stripped interest and principal U.S. Treasury yield curves that represent a U.S. Treasury zero-coupon curve.

*U.S. Government agencies and authorities, State, municipalities and political subdivisions:* Fair value is determined using third-party commercial pricing services, with the primary inputs being U.S. Treasury yield curves, trades of comparable securities, credit spreads off benchmark yields and issuer ratings.

*U.S. corporate public securities, Foreign corporate public securities, and foreign governments:* Fair value is determined using third-party commercial pricing services, with the primary inputs being benchmark yields, trades of comparable securities, issuer ratings, bids and credit spreads off benchmark yields.

*U.S. corporate private securities and Foreign corporate private securities:* Fair values are determined using a matrix and analytics-based pricing model. The model incorporates the current level of risk-free interest rates, current corporate credit spreads, credit quality of the issuer and cash flow characteristics of the security. The model also considers a liquidity spread, the value of any collateral, the capital structure of the issuer, the presence of guarantees, and prices and quotes for comparably rated publicly traded securities.

*RMBS, CMBS and ABS:* Fair value is determined using third-party commercial pricing services, with the primary inputs being credit spreads off benchmark yields, prepayment speed assumptions, current and forecasted loss severity, debt

## Voya Retirement Insurance and Annuity Company and Subsidiaries

(A wholly owned subsidiary of Voya Holdings Inc.)

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

---

service coverage ratios, collateral type, payment priority within tranche and the vintage of the loans underlying the security.

Generally, the Company does not obtain more than one vendor price from pricing services per instrument. The Company uses a hierarchy process in which prices are obtained from a primary vendor and, if that vendor is unable to provide the price, the next vendor in the hierarchy is contacted until a price is obtained or it is determined that a price cannot be obtained from a commercial pricing service. When a price cannot be obtained from a commercial pricing service, independent broker quotes are solicited. Securities priced using independent broker quotes are classified as Level 3.

Broker quotes and prices obtained from pricing services are reviewed and validated through an internal valuation committee price variance review, comparisons to internal pricing models, back testing to recent trades or monitoring of trading volumes. As of December 31, 2015, \$597.3 and \$17.0 billion of a total fair value of \$22.3 billion in fixed maturities, including securities pledged, were valued using unadjusted broker quotes and unadjusted prices obtained from pricing services, respectively and verified through the review process. The remaining balance in fixed maturities consisted primarily of privately placed bonds valued using a matrix-based pricing. As of December 31, 2014, \$537.1 and \$16.4 billion of a total fair value of \$21.6 billion in fixed maturities, including securities pledged, were valued using unadjusted broker quotes and unadjusted prices obtained from pricing services, respectively, and verified through the review process. The remaining balance in fixed maturities consisted primarily of privately placed bonds valued using a matrix-based pricing.

All prices and broker quotes obtained go through the review process described above including valuations for which only one broker quote is obtained. After review, for those instruments where the price is determined to be appropriate, the unadjusted price provided is used for financial statement valuation. If it is determined that the price is questionable, another price may be requested from a different vendor. The internal valuation committee then reviews all prices for the instrument again, along with information from the review, to determine which price best represents exit price for the instrument.

Fair values of privately placed bonds are determined primarily using a matrix-based pricing model and are generally classified as Level 2 assets. The model considers the current level of risk-free interest rates, current corporate spreads, the credit quality of the issuer and cash flow characteristics of the security. Also considered are factors such as the net worth of the borrower, the value of collateral, the capital structure of the borrower, the presence of guarantees and the Company's evaluation of the borrower's ability to compete in its relevant market. Using this data, the model generates estimated market values which the Company considers reflective of the fair value of each privately placed bond.

*Equity securities, available-for-sale:* Fair values of publicly traded equity securities are based upon quoted market price and are classified as Level 1 assets. Other equity securities, typically private equities or equity securities not traded on an exchange, are valued by other sources such as analytics or brokers and are classified as Level 2 or Level 3 assets.

*Derivatives:* Derivatives are carried at fair value, which is determined using the Company's derivative accounting system in conjunction with observable key financial data from third party sources, such as yield curves, exchange rates, S&P 500 Index prices, London Interbank Offered Rates ("LIBOR") and Overnight Index Swap ("OIS") rates. The Company uses OIS for valuations of collateralized interest rate derivatives, which are obtained from third-party sources. For those derivatives that are unable to be valued by the accounting system, the Company typically utilizes values established by third-party brokers. Counterparty credit risk is considered and incorporated in the Company's valuation process through counterparty credit rating requirements and monitoring of overall exposure. It is the Company's policy to transact only with investment grade counterparties with a credit rating of A- or better. The Company's nonperformance risk is also considered and incorporated in the Company's valuation process. Valuations for the Company's futures and interest rate forward contracts are based on unadjusted quoted prices from an active exchange and, therefore, are classified as Level 1. The Company also has certain credit default swaps and options that are priced using models that primarily use market observable inputs, but contain inputs that are not observable to market participants, which have been classified as Level 3. The remaining derivative instruments, including those priced by third-party vendors, are valued based on market observable inputs and are classified as Level 2.

*Cash and cash equivalents, Short-term investments and Short-term investments under securities loan agreement:* The carrying amounts for cash reflect the assets' fair values. The fair values for cash equivalents and most short-term investments are determined based on quoted market prices. These assets are classified as Level 1. Other short-term investments are valued and classified in the fair value hierarchy consistent with the policies described herein, depending on investment type.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

*Assets held in separate accounts:* Assets held in separate accounts are reported at the quoted fair values of the underlying investments in the separate accounts. The underlying investments include mutual funds, short-term investments and cash, the valuations of which are based upon a quoted market price and are included in Level 1. Fixed maturity valuations are obtained from third-party commercial pricing services and brokers and are classified in the fair value hierarchy consistent with the policy described above for fixed maturities.

*Guaranteed benefit derivatives:* The index-crediting feature in the Company's FIA contract is an embedded derivative that is required to be accounted for separately from the host contract. The fair value of the obligation is calculated based on actuarial and capital market assumptions related to the projected cash flows, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by market implied assumptions. These derivatives are classified as Level 3 liabilities in the fair value hierarchy.

The Company records reserves for Stabilizer and MCG contracts containing guaranteed credited rates. The guarantee is treated as an embedded derivative or a stand-alone derivative (depending on the underlying product) and is required to be reported at fair value. The estimated fair value is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using relevant actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by using stochastic techniques under a variety of risk neutral scenarios and other market implied assumptions. These derivatives are classified as Level 3 liabilities.

The discount rate used to determine the fair value of the embedded derivatives and stand-alone derivative includes an adjustment for nonperformance risk. The nonperformance risk adjustment incorporates a blend of observable, similarly rated peer holding company credit default swap spreads, adjusted to reflect the credit quality of the Company, the issuer of the guarantee, as well as an adjustment to reflect the priority of policyholder claims.

The Company's valuation actuaries are responsible for the policies and procedures for valuing the embedded derivatives, reflecting the capital markets and actuarial valuation inputs and nonperformance risk in the estimate of the fair value of the embedded derivatives. The actuarial and capital market assumptions for each liability are approved by each product's Chief Risk Officer ("CRO"), including an independent annual review by the CRO. Models used to value the embedded derivatives must comply with the Company's governance policies.

Quarterly, an attribution analysis is performed to quantify changes in fair value measurements and a sensitivity analysis is used to analyze the changes. The changes in fair value measurements are also compared to corresponding movements in the hedge target to assess the validity of the attributions. The results of the attribution analysis are reviewed by the valuation actuaries, responsible CFOs, Controllers, CROs and/or others as nominated by management.

*Embedded derivatives on reinsurance:* The carrying value of embedded derivatives is estimated based upon the change in the fair value of the assets supporting the funds withheld payable under reinsurance agreements. As the fair value of the assets held in trust is based on a quoted market price (Level 1), the fair value of the embedded derivatives is based on market observable inputs and is classified as Level 2.

#### *Transfers in and out of Level 1 and 2*

There were no securities transferred between Level 1 and Level 2 for the years ended December 31, 2015 and 2014. The Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

#### *Level 3 Financial Instruments*

The fair values of certain assets and liabilities are determined using prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (i.e., Level 3 as defined by ASC Topic 820), including but not limited to liquidity spreads for investments within markets deemed not currently active. These valuations, whether derived internally or obtained from a third party, use critical assumptions that are not widely available to estimate market participant expectations in valuing the asset or liability. In addition, the Company has determined, for certain financial instruments, an active market is

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

such a significant input to determine fair value that the presence of an inactive market may lead to classification in Level 3. In light of the methodologies employed to obtain the fair values of financial assets and liabilities classified as Level 3, additional information is presented below.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Notes to the Consolidated Financial Statements**  
(Dollar amounts in millions, unless otherwise stated)

The following table summarizes the change in fair value of the Company's Level 3 assets and liabilities and transfers in and out of Level 3 for the period indicated:

	Year Ended December 31, 2015											Fair Value as of December 31	Change in Unrealized Gains (Losses) Included in Earnings <sup>(4)</sup>	
	Fair Value as of January 1	Total Realized/ Unrealized Gains (Losses) Included in:			Purchases	Issuances	Sales	Settlements	Transfers into Level 3 <sup>(3)</sup>	Transfers out of Level 3 <sup>(3)</sup>				
		Net Income	OCI											
Fixed maturities, including securities pledged:														
U.S. Government agencies and authorities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. Corporate public securities	19.3	—	(0.2)	—	—	—	(0.8)	—	(16.0)	—	2.3	—	—	
U.S. Corporate private securities	355.5	(0.1)	(14.8)	138.0	—	(2.5)	(91.0)	11.3	—	—	396.4	(0.2)	—	
Foreign corporate public securities and foreign governments <sup>(1)</sup>	—	(1.7)	(0.1)	—	—	—	(2.1)	4.4	—	—	0.5	(1.7)	—	
Foreign corporate private securities <sup>(1)</sup>	165.7	(0.5)	(1.8)	1.8	—	—	(33.8)	26.7	—	—	158.1	(0.7)	—	
Residential mortgage-backed securities	17.3	(4.0)	(1.5)	9.8	—	—	—	6.6	—	—	28.2	(4.0)	—	
Commercial mortgage-backed securities	19.0	—	(0.1)	14.8	—	—	(2.1)	—	(19.0)	—	12.6	—	—	
Other asset-backed securities	2.4	—	—	12.4	—	—	(0.8)	5.3	(6.2)	—	13.1	—	—	
<b>Total fixed maturities, including securities pledged</b>	<b>579.2</b>	<b>(6.3)</b>	<b>(18.5)</b>	<b>176.8</b>	<b>—</b>	<b>(2.5)</b>	<b>(130.6)</b>	<b>54.3</b>	<b>(41.2)</b>	<b>—</b>	<b>611.2</b>	<b>(6.6)</b>	<b>—</b>	
Equity securities, available-for-sale	36.6	—	0.6	10.3	—	—	—	—	—	—	47.5	—	—	
Derivatives:														
Guaranteed benefit derivatives:														
Stabilizer and MCGs <sup>(2)</sup>	(102.9)	(53.7)	—	—	(4.7)	—	—	—	—	—	(161.3)	—	—	
FIA <sup>(2)</sup>	(26.3)	1.3	—	—	(0.1)	—	2.0	—	—	—	(23.1)	—	—	
Cash and cash equivalents, short-term investments, and short-term investments under securities loan agreement	1.5	—	—	—	—	—	(1.5)	—	—	—	—	—	—	
Assets held in separate accounts <sup>(5)</sup>	2.4	(0.1)	—	4.1	—	(0.1)	—	—	(2.3)	—	4.0	—	—	

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by-contract basis. These amounts are included in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

<sup>(3)</sup> The Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

<sup>(4)</sup> For financial instruments still held as of December 31, amounts are included in Net investment income and Total net realized capital gains (losses) in the Consolidated Statements of Operations.

<sup>(5)</sup> The investment income and realized gains (losses) and change in unrealized gains (losses) included in net income (loss) for separate account assets are offset by an equal amount for separate account liabilities, which results in a net zero impact on Net income (loss) for the Company.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Notes to the Consolidated Financial Statements**  
(Dollar amounts in millions, unless otherwise stated)

The following table summarizes the change in fair value of the Company's Level 3 assets and liabilities and transfers in and out of Level 3 for the period indicated:

	Year Ended December 31, 2014										Fair Value as of December 31	Change in Unrealized Gains (Losses) Included in Earnings <sup>(4)</sup>
	Fair Value as of January 1	Total Realized/ Unrealized Gains (Losses) Included in:			Purchases	Issuances	Sales	Settlements	Transfers into Level 3 <sup>(3)</sup>	Transfers out of Level 3 <sup>(3)</sup>		
		Net Income	OCI	—								
Fixed maturities, including securities pledged:												
U.S. government agencies and authorities	\$ 5.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (5.1)	\$ —	\$ —
U.S. Corporate public securities	39.3	0.1	(0.7)	1.0	—	—	(20.4)	—	—	—	19.3	0.1
U.S. Corporate private securities	106.0	(0.1)	(1.0)	99.2	—	—	—	151.4	—	—	355.5	(0.1)
Foreign corporate public securities and foreign governments <sup>(1)</sup>	—	—	—	—	—	—	—	—	—	—	—	—
Foreign corporate private securities <sup>(1)</sup>	42.8	0.1	(2.0)	56.3	—	—	(1.2)	83.0	(13.3)	—	165.7	0.1
Residential mortgage-backed securities	23.7	(1.1)	0.2	7.0	—	—	—	—	(12.5)	—	17.3	(1.1)
Commercial mortgage-backed securities	—	—	—	19.0	—	—	—	—	—	—	19.0	—
Other asset-backed securities	17.7	1.2	(0.9)	—	—	—	(10.1)	—	(5.5)	—	2.4	—
<b>Total fixed maturities, including securities pledged</b>	<b>234.6</b>	<b>0.2</b>	<b>(4.4)</b>	<b>182.5</b>	<b>—</b>	<b>—</b>	<b>(31.7)</b>	<b>234.4</b>	<b>(36.4)</b>	<b>—</b>	<b>579.2</b>	<b>(1.0)</b>
Equity securities, available-for-sale	35.9	—	0.7	—	—	—	—	—	—	—	36.6	—
Derivatives:												
Guaranteed benefit derivatives:												
Stabilizer and MCGs <sup>(2)</sup>	—	(98.2)	—	—	(4.7)	—	—	—	—	—	(102.9)	—
FIA <sup>(2)</sup>	(23.1)	(3.0)	—	—	(0.2)	—	—	—	—	—	(26.3)	—
Cash and cash equivalents, short-term investments, and short-term investments under securities loan agreement	—	—	—	1.5	—	—	—	—	—	—	1.5	—
Assets held in separate accounts <sup>(5)</sup>	13.1	0.1	—	1.3	—	(4.4)	—	0.2	(7.9)	—	2.4	(0.1)

<sup>(1)</sup> Primarily U.S. dollar denominated.

<sup>(2)</sup> All gains and losses on Level 3 liabilities are classified as realized gains (losses) for the purpose of this disclosure because it is impracticable to track realized and unrealized gains (losses) separately on a contract-by-contract basis. These amounts are included in Other net realized capital gains (losses) in the Consolidated Statements of Operations.

<sup>(3)</sup> The Company's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

<sup>(4)</sup> For financial instruments still held as of December 31, amounts are included in Net investment income and Total net realized capital gains (losses) in the Consolidated Statements of Operations.

<sup>(5)</sup> The investment income and realized gains (losses) and change in unrealized gains (losses) included in net income (loss) for separate account assets are offset by an equal amount for separate account liabilities, which results in a net zero impact on Net income (loss) for the Company.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

For the years ended December 31, 2015 and 2014, the transfers in and out of Level 3 for fixed maturities and equity securities, as well as separate accounts, were due to the variation in inputs relied upon for valuation each quarter. Securities that are primarily valued using independent broker quotes when prices are not available from one of the commercial pricing services are reflected as transfers into Level 3. When securities are valued using more widely available information, the securities are transferred out of Level 3 and into Level 1 or 2, as appropriate.

*Significant Unobservable Inputs*

The Company's Level 3 fair value measurements of its fixed maturities, equity securities available-for-sale and equity and credit derivative contracts are primarily based on broker quotes for which the quantitative detail of the unobservable inputs is neither provided nor reasonably corroborated, thus negating the ability to perform a sensitivity analysis. The Company performs a review of broker quotes by performing a monthly price variance comparison and back tests broker quotes to recent trade prices.

Quantitative information about the significant unobservable inputs used in the Company's Level 3 fair value measurements of its guaranteed benefit derivatives is presented in the following sections and table.

Significant unobservable inputs used in the fair value measurements of FIAs include nonperformance risk and policyholder behavior assumptions, such as lapses and partial withdrawals. Such inputs are monitored quarterly.

The significant unobservable inputs used in the fair value measurement of the Stabilizer embedded derivatives and MCG derivative are interest rate implied volatility, nonperformance risk, lapses and policyholder deposits. Such inputs are monitored quarterly.

Following is a description of selected inputs:

*Interest Rate Volatility:* A term-structure model is used to approximate implied volatility for the swap rates for the Stabilizer and MCG fair value measurements. Where no implied volatility is readily available in the market, an alternative approach is applied based on historical volatility.

*Nonperformance Risk:* For the estimate of the fair value of embedded derivatives associated with the Company's product guarantees, the Company uses a blend of observable, similarly rated peer company credit default swap spreads, adjusted to reflect the credit quality of the Company and the priority of policyholder claims.

*Actuarial Assumptions:* Management regularly reviews actuarial assumptions, which are based on the Company's experience and periodically reviewed against industry standards. Industry standards and Company experience may be limited on certain products.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The following table presents the unobservable inputs for Level 3 fair value measurements as of December 31, 2015:

Unobservable Input	Range <sup>(1)</sup>	
	FIA	Stabilizer / MCG
Interest rate implied volatility	—	0.1% to 7.3%
Nonperformance risk	0.23% to 1.3%	0.23% to 1.3%
Actuarial Assumptions:		
Partial Withdrawals	0.4% to 3.2%	—
Lapses	0% to 45% <sup>(2)</sup>	0% to 50% <sup>(3)</sup>
Policyholder Deposits <sup>(4)</sup>	—	0% to 50% <sup>(3)</sup>

<sup>(1)</sup> Represents the range of reasonable assumptions that management has used in its fair value calculations.

<sup>(2)</sup> Lapse rates tend to be lower during the contractual surrender charge period and higher after the surrender charge period ends; the highest lapse rates occur in the year immediately after the end of the surrender charge period.

<sup>(3)</sup> Stabilizer contracts with recordkeeping agreements have different range of lapse and policyholder deposit assumptions from Stabilizer (Investment only) and MCG contracts as shown below:

	Percentage of Plans	Overall Range of Lapse Rates	Range of Lapse Rates for 85% of Plans	Overall Range of Policyholder Deposits	Range of Policyholder Deposits for 85% of Plans
Stabilizer (Investment Only) and MCG Contracts	90%	0-25%	0-15%	0-30%	0-15%
Stabilizer with Recordkeeping Agreements	10%	0-50%	0-30%	0-50%	0-25%
Aggregate of all plans	100%	0-50%	0-30%	0-50%	0-25%

<sup>(4)</sup> Measured as a percentage of assets under management or assets under administration.

The following table presents the unobservable inputs for Level 3 fair value measurements as of December 31, 2014:

Unobservable Input	Range <sup>(1)</sup>	
	FIA	Stabilizer / MCG
Interest rate implied volatility	—	0.2% to 7.6%
Nonperformance risk	0.13% to 1.1%	0.13% to 1.1%
Actuarial Assumptions:		
Partial Withdrawals	0.4% to 3.2%	—
Lapses	0% to 45% <sup>(2)</sup>	0% to 50% <sup>(3)</sup>
Policyholder Deposits <sup>(4)</sup>	—	0% to 65% <sup>(3)</sup>

<sup>(1)</sup> Represents the range of reasonable assumptions that management has used in its fair value calculations.

<sup>(2)</sup> Lapse rates tend to be lower during the contractual surrender charge period and higher after the surrender charge period ends; the highest lapse rates occur in the year immediately after the end of the surrender charge period.

<sup>(3)</sup> Stabilizer contracts with recordkeeping agreements have different range of lapse and policyholder deposit assumptions from Stabilizer (Investment only) and MCG contracts as shown below:

	Percentage of Plans	Overall Range of Lapse Rates	Range of Lapse Rates for 85% of Plans	Overall Range of Policyholder Deposits	Range of Policyholder Deposits for 85% of Plans
Stabilizer (Investment Only) and MCG Contracts	87%	0-30%	0-15%	0-45%	0-15%
Stabilizer with Recordkeeping Agreements	13%	0-50%	0-25%	0-65%	0-25%
Aggregate of all plans	100%	0-50%	0-25%	0-65%	0-25%

<sup>(4)</sup> Measured as a percentage of assets under management or assets under administration.

Generally, the following will cause an increase (decrease) in the FIA embedded derivative fair value liability:

- A decrease (increase) in nonperformance risk
- A decrease (increase) in lapses

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Generally, the following will cause an increase (decrease) in the derivative and embedded derivative fair value liabilities related to Stabilizer and MCG contracts:

- An increase (decrease) in interest rate implied volatility
- A decrease (increase) in nonperformance risk
- A decrease (increase) in lapses
- A decrease (increase) in policyholder deposits

The Company notes the following interrelationships:

- Generally, an increase (decrease) in interest rate volatility will increase (decrease) lapses of Stabilizer and MCG contracts due to dynamic participant behavior.

*Other Financial Instruments*

The carrying values and estimated fair values of the Company's financial instruments as of the dates indicated:

	December 31, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets:</b>				
Fixed maturities, including securities pledged	\$ 22,258.8	\$ 22,258.8	\$ 21,616.6	\$ 21,616.6
Equity securities, available-for-sale	131.3	131.3	121.9	121.9
Mortgage loans on real estate	3,729.1	3,881.1	3,513.0	3,680.6
Policy loans	229.8	229.8	239.1	239.1
Cash, cash equivalents, short-term investments and short-term investments under securities loan agreements	902.6	902.5	1,048.1	1,048.1
Derivatives	450.3	450.3	562.0	562.0
Notes receivable from affiliates	175.0	208.4	175.0	216.7
Assets held in separate accounts	58,910.6	58,910.6	62,808.1	62,808.1
<b>Liabilities:</b>				
Investment contract liabilities:				
Funding agreements without fixed maturities and deferred annuities <sup>(1)</sup>	22,979.4	27,612.3	21,503.3	26,023.3
Supplementary contracts, immediate annuities and other	411.8	479.2	442.4	546.3
Deposit liabilities	194.8	194.8	201.1	201.1
Derivatives:				
Guaranteed benefit derivatives:				
FIA	23.1	23.1	26.3	26.3
Stabilizer and MCGs	161.3	161.3	102.9	102.9
Other derivatives	115.1	115.1	217.0	217.0
Long-term debt	4.9	4.9	4.9	4.9
Embedded derivatives on reinsurance	(71.6)	(71.6)	(13.0)	(13.0)

<sup>(1)</sup> Certain amounts included in Funding agreements without fixed maturities and deferred annuities are also reflected within the Guaranteed benefit derivatives section of the table above.

The following disclosures are made in accordance with the requirements of ASC Topic 825 which requires disclosure of fair value information about financial instruments, whether or not recognized at fair value on the Consolidated Balance Sheets, for which it

## Voya Retirement Insurance and Annuity Company and Subsidiaries

(A wholly owned subsidiary of Voya Holdings Inc.)

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

---

is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates, in many cases, could not be realized in immediate settlement of the instrument.

ASC Topic 825 excludes certain financial instruments, including insurance contracts and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The following valuation methods and assumptions were used by the Company in estimating the fair value of the following financial instruments, which are not carried at fair value on the Consolidated Balance Sheets:

*Mortgage loans on real estate:* The fair values for mortgage loans on real estate are estimated on a monthly basis using discounted cash flow analyses and rates currently being offered in the marketplace for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. Mortgage loans on real estate are classified as Level 3.

*Policy loans:* The fair value of policy loans approximates the carrying value of the loans. Policy loans are collateralized by the cash surrender value of the associated insurance contracts and are classified as Level 2.

*Notes receivable from affiliates:* Estimated fair value of the Company's notes receivable from affiliates is determined primarily using a matrix-based pricing. The model considers the current level of risk-free interest rates, credit quality of the issuer and cash flow characteristics of the security model and is classified as Level 2.

*Investment contract liabilities:*

*Funding agreements without a fixed maturity and deferred annuities:* Fair value is estimated as the mean present value of stochastically modeled cash flows associated with the contract liabilities taking into account assumptions about contract holder behavior. The stochastic valuation scenario set is consistent with current market parameters and discount is taken using stochastically evolving risk-free rates in the scenarios plus an adjustment for nonperformance risk. Margins for non-financial risks associated with the contract liabilities are also included. These liabilities are classified as Level 3.

*Supplementary contracts and immediate annuities:* Fair value is estimated as the mean present value of the single deterministically modeled cash flows associated with the contract liabilities discounted using stochastically evolving short risk-free rates in the scenarios plus an adjustment for nonperformance risk. The valuation is consistent with current market parameters. Margins for non-financial risks associated with the contract liabilities are also included. These liabilities are classified as Level 3.

*Deposit liabilities:* Fair value is estimated based on the fair value of the liabilities for the underlying contracts and are classified as Level 3.

*Long-term debt:* Estimated fair value of the Company's long-term debt is based upon discounted future cash flows using a discount rate approximating the current market rate, incorporating nonperformance risk. Long-term debt is classified as Level 2.

Fair value estimates are made at a specific point in time, based on available market information and judgments about various financial instruments, such as estimates of timing and amounts of future cash flows. Such estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they consider the tax impact of the realization of unrealized capital gains (losses). In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realized in immediate settlement of the instruments. In evaluating the Company's management of interest rate, price and liquidity risks, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Notes to the Consolidated Financial Statements**  
(Dollar amounts in millions, unless otherwise stated)

**5. Deferred Policy Acquisition Costs and Value of Business Acquired**

The following table presents a rollforward of DAC and VOBA for the periods indicated:

	DAC	VOBA	Total
Balance at January 1, 2013	\$ 296.5	\$ 381.4	\$ 677.9
Deferrals of commissions and expenses	71.3	7.2	78.5
Amortization:			
Amortization	(69.7)	(83.6)	(153.3)
Interest accrued <sup>(1)</sup>	34.0	61.0	95.0
Net amortization included in the Consolidated Statements of Operations	(35.7)	(22.6)	(58.3)
Change in unrealized capital gains/losses on available-for-sale securities	144.1	330.6	474.7
Balance as of December 31, 2013	476.2	696.6	1,172.8
Deferrals of commissions and expenses	69.8	6.9	76.7
Amortization:			
Amortization	(91.0)	(113.3)	(204.3)
Interest accrued <sup>(1)</sup>	35.9	59.2	95.1
Net amortization included in the Consolidated Statements of Operations	(55.1)	(54.1)	(109.2)
Change in unrealized capital gains/losses on available-for-sale securities	(94.4)	(122.6)	(217.0)
Balance as of December 31, 2014	396.5	526.8	923.3
Deferrals of commissions and expenses	76.9	5.8	82.7
Amortization:			
Amortization	(106.8)	(117.9)	(224.7)
Interest accrued <sup>(1)</sup>	36.2	55.9	92.1
Net amortization included in the Consolidated Statements of Operations	(70.6)	(62.0)	(132.6)
Change in unrealized capital gains/losses on available-for-sale securities	117.6	238.1	355.7
Balance as of December 31, 2015	\$ 520.4	\$ 708.7	\$ 1,229.1

<sup>(1)</sup> Interest accrued at the following rates for VOBA: 5.5% to 7.0% during 2015 and 2014 and 1.0% to 7.0% during 2013.

The estimated amount of VOBA amortization expense, net of interest, during the next five years is presented in the following table. Actual amortization incurred during these years may vary as assumptions are modified to incorporate actual results and/or changes in best estimates of future results.

Year	Amount
2016	\$ 56.2
2017	40.4
2018	36.2
2019	33.2
2020	30.0

**6. Guaranteed Benefit Features**

The Company calculates an additional liability for certain GMDBs and other minimum guarantees in order to recognize the expected value of these benefits in excess of the projected account balance over the accumulation period based on total expected assessments.

**Voya Retirement Insurance and Annuity Company and Subsidiaries****(A wholly owned subsidiary of Voya Holdings Inc.)****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

The Company regularly evaluates estimates used to adjust the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

As of December 31, 2015, the account value for the separate account contracts with guaranteed minimum benefits was \$36.9 billion. The additional liability recognized related to minimum guarantees was \$171.6. As of December 31, 2014, the account value for the separate account contracts with guaranteed minimum benefits was \$39.0 billion. The additional liability recognized related to minimum guarantees was \$111.5.

The aggregate fair value of fixed income securities and equity securities, including mutual funds, supporting separate accounts with additional insurance benefits and minimum investment return guarantees as of December 31, 2015 and 2014 was \$7.8 billion and \$9.3 billion, respectively.

**7. Reinsurance**

At December 31, 2015, the Company has reinsurance treaties with 6 unaffiliated reinsurers covering a significant portion of the mortality risks and guaranteed death benefits under its variable contracts. As of December 31, 2015, the Company had agreements with two of its affiliates, Langhorne I, LLC, and Security Life of Denver International ("SLDI"), which are accounted for under the deposit method of accounting, for which the deposit receivable was \$91.0 and \$93.9 at December 31, 2015 and 2014, respectively. Refer to the *Related Party Transactions* Note for further detail.

On October 1, 1998, the Company disposed of its individual life insurance business under an indemnity reinsurance arrangement with a subsidiary of Lincoln for \$1.0 billion in cash. Under the agreement, the Lincoln subsidiary contractually assumed from the Company certain policyholder liabilities and obligations, although the Company remains obligated to contract owners. The Lincoln subsidiary established a trust to secure its obligations to the Company under the reinsurance agreement. As of December 31, 2015 and 2014, the Company had \$1.8 billion and \$1.9 billion, respectively, related to Reinsurance recoverable from the subsidiary of Lincoln.

The Company assumed \$25.0 of premium revenue from Aetna Life for the purchase and administration of a life contingent single premium variable payout annuity contract. In addition, the Company is also responsible for administering fixed annuity payments that are made to annuitants receiving variable payments. Reserves of \$8.4 and \$9.7 were maintained for this contract as of December 31, 2015 and 2014, respectively.

Reinsurance recoverable was comprised of the following as of the dates indicated:

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
Reserves ceded and claims recoverable	\$ 1,837.2	\$ 1,927.8
Other	1.6	1.7
<b>Total</b>	<b>\$ 1,838.8</b>	<b>\$ 1,929.5</b>

The following table summarizes the effect of reinsurance on Premiums for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Premiums:</b>			
Direct premiums	\$ 657.2	\$ 88.9	\$ 37.4
Reinsurance assumed	—	0.1	0.1
Reinsurance ceded	(0.1)	(0.2)	(0.2)
Net premiums	<b>\$ 657.1</b>	<b>\$ 88.8</b>	<b>\$ 37.3</b>

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

**8. Capital Contributions, Dividends and Statutory Information**

Connecticut insurance law imposes restrictions on a Connecticut insurance company's ability to pay dividends to its parent. These restrictions are based in part on the prior year's statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior approval. Dividends in larger amounts, or extraordinary dividends, are subject to approval by the Connecticut Insurance Commissioner.

Under Connecticut insurance law, an extraordinary dividend or distribution is defined as a dividend or distribution that, together with other dividends or distributions made within the preceding twelve months, exceeds the greater of (1) ten percent (10.0%) of VRIAC's earned statutory surplus at the prior year end or (2) VRIAC's prior year statutory net gain from operations. Connecticut law also prohibits a Connecticut insurer from declaring or paying a dividend except out of its earned surplus unless prior insurance regulatory approval is obtained.

During the year ended December 31, 2015, VRIAC declared ordinary dividends to its Parent in the aggregate amount of \$321.0, \$231.0 of which was paid on May 20, 2015 and \$90.0 of which was paid on December 23, 2015. During the year ended December 31, 2014, VRIAC declared ordinary dividends to its Parent in the aggregate amount of \$371.0, \$281.0 of which was paid on May 19, 2014 and \$90.0 of which was paid on December 22, 2014. On December 23, 2015 and December 9, 2014, VFP paid a \$115.0 and \$95.0 dividend, respectively, to VRIAC, its parent. During the year ended December 31, 2015, DSL did not pay any dividends to VRIAC, its parent. On October 3, 2014, DSL paid a \$30.0 dividend to VRIAC.

During the years ended December 31, 2015 and 2014, VRIAC did not receive any capital contributions from its Parent.

The Company is subject to minimum risk-based capital ("RBC") requirements established by the Department. The formulas for determining the amount of RBC specify various weighting factors that are applied to financial balances or various levels of activity based on the perceived degree of risk. Regulatory compliance is determined by a ratio of total adjusted capital ("TAC"), as defined by the National Association of Insurance Commissioners ("NAIC"), to authorized control level RBC, as defined by the NAIC. The Company exceeded the minimum RBC requirements that would require any regulatory or corrective action for all periods presented herein.

The Company is required to prepare statutory financial statements in accordance with statutory accounting practices prescribed or permitted by the Department. Such statutory accounting practices primarily differ from U.S. GAAP by charging policy acquisition costs to expense as incurred, establishing future policy benefit liabilities and contract owner account balances using different actuarial assumptions as well as valuing investments and certain assets and accounting for deferred taxes on a different basis. Certain assets that are not admitted under statutory accounting principles are charged directly to surplus. Depending on the regulations of the Department, the entire amount or a portion of an insurance company's asset balance can be non-admitted depending on specific rules regarding admissibility. The most significant non-admitted assets of the Company are typically deferred tax assets.

Statutory net income (loss) was \$317.5, \$321.7 and \$175.2, for the years ended December 31, 2015, 2014 and 2013, respectively. Statutory capital and surplus was \$2.0 billion as of December 31, 2015 and 2014.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Notes to the Consolidated Financial Statements**  
(Dollar amounts in millions, unless otherwise stated)

**9. Accumulated Other Comprehensive Income (Loss)**

Shareholder's equity included the following components of AOCI as of the dates indicated.

	<b>December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fixed maturities, net of OTTI	\$ 438.0	\$ 1,553.7	\$ 820.9
Equity securities, available-for-sale	14.6	14.5	15.5
Derivatives	208.3	202.6	133.0
DAC/VOBA and Sales inducements adjustments on available-for-sale securities	(196.4)	(552.4)	(335.3)
Premium deficiency reserve adjustment	(66.5)	(129.8)	(82.4)
Unrealized capital gains (losses), before tax	398.0	1,088.6	551.7
Deferred income tax asset (liability)	(18.1)	(255.5)	(66.1)
Unrealized capital gains (losses), after tax	379.9	833.1	485.6
Pension and other postretirement benefits liability, net of tax	6.9	8.4	9.8
AOCI	<u>\$ 386.8</u>	<u>\$ 841.5</u>	<u>\$ 495.4</u>

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

Changes in AOCI, including the reclassification adjustments recognized in the Consolidated Statements of Operations were as follows for the periods indicated:

	<b>Year Ended December 31, 2015</b>		
	<b>Before-Tax Amount</b>	<b>Income Tax</b>	<b>After-Tax Amount</b>
Available-for-sale securities:			
Fixed maturities	\$ (1,183.7)	\$ 410.0	\$ (773.7)
Equity securities	(0.2)	0.1	(0.1)
OTTI	2.8	(1.0)	1.8
Adjustments for amounts recognized in Net realized capital gains (losses) in the Consolidated Statements of Operations	65.5	(22.9)	42.6
DAC/VOBA and Sales inducements	356.0 <sup>(1)</sup>	(124.6)	231.4
Premium deficiency reserve adjustment	63.3	(22.2)	41.1
Change in unrealized gains/losses on available-for-sale securities	<u>(696.3)</u>	<u>239.4</u>	<u>(456.9)</u>
Derivatives:			
Derivatives	19.7 <sup>(2)</sup>	(6.9)	12.8
Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations	(14.0)	4.9	(9.1)
Change in unrealized gains/losses on derivatives	<u>5.7</u>	<u>(2.0)</u>	<u>3.7</u>
Pension and other postretirement benefits liability:			
Amortization of prior service cost recognized in Operating expenses in the Consolidated Statements of Operations	(2.3) <sup>(3)</sup>	0.8	(1.5)
Change in pension and other postretirement benefits liability	(2.3)	0.8	(1.5)
Change in Other comprehensive income (loss)	<u>\$ (692.9)</u>	<u>\$ 238.2</u>	<u>\$ (454.7)</u>

<sup>(1)</sup> See the *Deferred Policy Acquisition Costs and Value of Business Acquired* Note to these Consolidated Financial Statements for additional information.

<sup>(2)</sup> See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.

<sup>(3)</sup> See the *Benefit Plans* Note to these Consolidated Financial Statements for amounts reported in Net Periodic (Benefit) Costs.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

(A wholly owned subsidiary of Voya Holdings Inc.)

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

	<b>Year Ended December 31, 2014</b>		
	<b>Before-Tax Amount</b>	<b>Income Tax</b>	<b>After-Tax Amount</b>
Available-for-sale securities:			
Fixed maturities	\$ 713.0	\$ (251.0)	\$ 462.0
Equity securities	(1.3)	0.5	(0.8)
OTTI	5.1	(1.8)	3.3
Adjustments for amounts recognized in Net realized capital gains (losses) in the Consolidated Statements of Operations	15.0	(5.3)	9.7
DAC/VOBA and Sales inducements	(217.1) <sup>(1)</sup>	76.0	(141.1)
Premium deficiency reserve adjustment	(47.4)	16.6	(30.8)
Change in unrealized gains/losses on available-for-sale securities	<u>467.3</u>	<u>(165.0)</u>	<u>302.3</u>
Derivatives:			
Derivatives	77.0 <sup>(2)</sup>	(27.0)	50.0
Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations	(7.4)	2.6	(4.8)
Change in unrealized gains/losses on derivatives	<u>69.6</u>	<u>(24.4)</u>	<u>45.2</u>
Pension and other postretirement benefits liability:			
Amortization of prior service cost recognized in Operating expenses in the Consolidated Statements of Operations	(2.2) <sup>(3)</sup>	0.8	(1.4)
Change in pension and other postretirement benefits liability	(2.2)	0.8	(1.4)
Change in Other comprehensive income (loss)	<u>\$ 534.7</u>	<u>\$ (188.6)</u>	<u>\$ 346.1</u>

<sup>(1)</sup> See the *Deferred Policy Acquisition Costs and Value of Business Acquired* Note to these Consolidated Financial Statements for additional information.

<sup>(2)</sup> See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.

<sup>(3)</sup> See the *Benefit Plans* Note to these Consolidated Financial Statements for amounts reported in Net Periodic (Benefit) Costs.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

	<b>Year Ended December 31, 2013</b>		
	<b>Before-Tax Amount</b>	<b>Income Tax</b>	<b>After-Tax Amount</b>
Available-for-sale securities:			
Fixed maturities	\$ (1,372.1)	\$ 542.1 <sup>(4)</sup>	\$ (830.0)
Equity securities	2.0	(0.7)	1.3
OTTI	2.7	(0.9)	1.8
Adjustments for amounts recognized in Net realized capital gains (losses) in the Consolidated Statements of Operations	(0.6)	0.2	(0.4)
DAC/VOBA and Sales inducements	475.3 <sup>(1)</sup>	(166.4)	308.9
Premium deficiency reserve adjustment	70.2	(24.6)	45.6
Change in unrealized gains/losses on available-for-sale securities	<u>(822.5)</u>	<u>349.7</u>	<u>(472.8)</u>
Derivatives:			
Derivatives	(79.5) <sup>(2)</sup>	27.9	(51.6)
Adjustments related to effective cash flow hedges for amounts recognized in Net investment income in the Consolidated Statements of Operations	(2.7)	0.9	(1.8)
Change in unrealized gains/losses on derivatives	<u>(82.2)</u>	<u>28.8</u>	<u>(53.4)</u>
Pension and other postretirement benefits liability:			
Amortization of prior service cost recognized in Operating expenses in the Consolidated Statements of Operations	(2.2) <sup>(3)</sup>	0.8	(1.4)
Change in pension and other postretirement benefits liability	(2.2)	0.8	(1.4)
Change in Other comprehensive income (loss)	<u>\$ (906.9)</u>	<u>\$ 379.3</u>	<u>\$ (527.6)</u>

<sup>(1)</sup> See the *Deferred Policy Acquisition Costs and Value of Business Acquired* Note to these Consolidated Financial Statements for additional information.

<sup>(2)</sup> See the *Derivative Financial Instruments* Note to these Consolidated Financial Statements for additional information.

<sup>(3)</sup> See the *Benefit Plans* Note to these Consolidated Financial Statements for amounts reported in Net Periodic (Benefit) Costs.

<sup>(4)</sup> Amount includes \$67.6 valuation allowance. See the *Income Taxes* Note to these Consolidated Financial Statements for additional information.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**  
**(A wholly owned subsidiary of Voya Holdings Inc.)**  
**Notes to the Consolidated Financial Statements**  
(Dollar amounts in millions, unless otherwise stated)

**10. Income Taxes**

Income tax expense (benefit) consisted of the following for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Current tax expense (benefit):			
Federal	\$ 54.1	\$ 85.7	\$ 144.6
Total current tax expense (benefit)	54.1	85.7	144.6
Deferred tax expense (benefit):			
Federal	(1.3)	(11.2)	62.4
Total deferred tax expense (benefit)	(1.3)	(11.2)	62.4
Total income tax expense (benefit)	<u>\$ 52.8</u>	<u>\$ 74.5</u>	<u>\$ 207.0</u>

Income taxes were different from the amount computed by applying the federal income tax rate to Income (loss) before income taxes for the following reasons for the periods indicated:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Income (loss) before income taxes	\$ 226.0	\$ 306.2	\$ 490.5
Tax rate	35.0%	35.0%	35.0%
Income tax expense (benefit) at federal statutory rate	79.1	107.2	171.7
Tax effect of:			
Dividends received deduction	(23.7)	(30.7)	(26.6)
Valuation allowance	(3.6)	(0.4)	67.6
Audit settlements	(0.1)	(0.1)	(0.3)
Tax Credit	3.6	0.4	—
Other	(2.5)	(1.9)	(5.4)
Income tax expense (benefit)	<u>\$ 52.8</u>	<u>\$ 74.5</u>	<u>\$ 207.0</u>
Effective tax rate	<u>23.4%</u>	<u>24.3%</u>	<u>42.2%</u>

**Voya Retirement Insurance and Annuity Company and Subsidiaries****(A wholly owned subsidiary of Voya Holdings Inc.)****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

***Temporary Differences***

The tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities as of the dates indicated, are presented below.

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Deferred tax assets</b>		
Insurance reserves	\$ 197.1	\$ 219.1
Investments	197.9	190.8
Compensation and benefit	69.6	83.1
Other assets	8.6	7.4
Total gross assets before valuation allowance	473.2	500.4
Less: Valuation allowance	7.1	10.7
Assets, net of valuation allowance	466.1	489.7
<b>Deferred tax liabilities</b>		
Net unrealized investment (gains) losses	(208.0)	(573.0)
Deferred policy acquisition costs	(391.1)	(284.2)
Total gross liabilities	(599.1)	(857.2)
Net deferred income tax asset (liability)	\$ (133.0)	\$ (367.5)

Valuation allowances are provided when it is considered unlikely that deferred tax assets will be realized. As of December 31, 2015 and December 31, 2014, the Company had total valuation allowances of approximately \$7.1 and \$10.7, respectively. As of December 31, 2015 and December 31, 2014, \$126.4 and \$130.0, respectively, of these valuation allowances were allocated to continuing operations, and \$(119.3), as of the end of each period, was allocated to Other comprehensive income related to realized and unrealized capital losses.

For the years ended December 31, 2015 and 2014, the decreases in the valuation allowance were \$3.6 and \$0.4, respectively, all of which were allocated to continuing operations. For the year ended, December 31, 2013, there was no net change in the valuation allowance, but the valuation allowance allocated to continuing operations increased \$67.6 and the valuation allowance allocated to Other comprehensive income decreased \$67.6.

***Tax Sharing Agreement***

The Company had a receivable from Voya Financial, Inc. of \$10.5 as of December 31, 2015 and a receivable from Voya Financial, Inc. of \$10.1 as of December 31, 2014, for federal income taxes under the intercompany tax sharing agreement.

The results of the Company's operations are included in the consolidated tax return of Voya Financial, Inc. Generally, the Company's consolidated financial statements recognize the current and deferred income tax consequences that result from the Company's activities during the current and preceding periods pursuant to the provisions of Income Taxes (ASC Topic 740) as if the Company were a separate taxpayer rather than a member of Voya Financial, Inc.'s consolidated income tax return group with the exception of any net operating loss carryforwards and capital loss carryforwards, which are recorded pursuant to the tax sharing agreement. If the Company instead were to follow a separate taxpayer approach without any exceptions, there would be no impact to income tax expense (benefit) for the periods indicated above. Also, any current tax benefit related to the Company's tax attributes realized by virtue of its inclusion in the consolidated tax return of Voya Financial, Inc. would have been recorded directly to equity rather than income. Under the tax sharing agreement, Voya Financial, Inc., will pay the Company for the tax benefits of ordinary and capital losses only in the event that the consolidated tax group actually uses the tax benefit of losses generated.

***Unrecognized Tax Benefits***

The Company had no unrecognized tax benefits as of December 31, 2015 and 2014.

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

***Interest and Penalties***

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in current income taxes and Income tax expense on the Consolidated Balance Sheets and the Consolidated Statements of Operations, respectively. The Company had no accrued interest as of December 31, 2015 and 2014.

***Tax Regulatory Matters***

During April 2015, the Internal Revenue Service ("IRS") completed its examination of Voya Financial, Inc.'s consolidated return (including the Company) through tax year 2013. The 2013 audit settlement did not have a material impact on the Company. Voya Financial, Inc. (including the Company) is currently under audit by the IRS, and it is expected that the examination of tax year 2014 will be finalized within the next twelve months. Voya Financial, Inc. (including the Company) and the IRS have agreed to participate in the Compliance Assurance Process for the tax years 2014 through 2016.

**11. Benefit Plans**

***Defined Benefit Plan***

Voya Services Company sponsors the Voya Retirement Plan (the "Retirement Plan"). Substantially all employees of Voya Services Company and its affiliates (excluding certain employees) are eligible to participate, including the Company's employees other than Company agents.

The Retirement Plan is a tax qualified defined benefit plan, the benefits of which are guaranteed (within certain specified legal limits) by the Pension Benefit Guaranty Corporation ("PBGC"). Beginning January 1, 2012, the Retirement Plan adopted a cash balance pension formula instead of a final average pay ("FAP") formula, allowing all eligible employees to participate in the Retirement Plan. Participants will earn an annual credit equal to 4% of eligible compensation. Interest is credited monthly based on a 30-year U.S. Treasury securities bond rate published by the Internal Revenue Service in the preceding August of each year. The accrued vested cash pension balance benefit is portable; participants can take it if they leave the Company. For participants in the Retirement Plan as of December 31, 2011, there was a two-year transition period from the Retirement Plan's current FAP formula to the cash balance pension formula which ended December 31, 2013.

The costs allocated to the Company for its employees' participation in the Retirement Plan were \$6.0, \$6.2 and \$6.5 for the years ended December 31, 2015, 2014 and 2013, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

***Defined Contribution Plan***

Voya Services Company sponsors the Voya Savings Plan and ESOP (the "Savings Plan"). Substantially all employees of Voya Services Company and its affiliates (excluding certain employees, including but not limited to Career Agents) are eligible to participate, including the Company's employees other than Company agents. Career Agents are certain, full-time insurance salespeople who have entered into a career agent agreement with the Company and certain other individuals who meet specified eligibility criteria. The Savings Plan is a tax-qualified defined contribution retirement plan, which includes an employee stock ownership plan ("ESOP") component. The Savings Plan is a tax qualified defined contribution and stock bonus plan, which includes an employee stock ownership plan component. Savings Plan benefits are not guaranteed by the PBGC. The Savings Plan allows eligible participants to defer into the Savings Plan a specified percentage of eligible compensation on a pre-tax basis. Voya Services Company matches such pre-tax contributions, up to a maximum of 6.0% of eligible compensation. Matching contributions are subject to a 4-year graded vesting schedule. Contributions made to the Savings Plan are subject to certain limits imposed by applicable law. The cost allocated to the Company for the Savings Plan were \$10.8, \$10.6 and \$10.8, for the years ended December 31, 2015, 2014 and 2013, respectively, and are included in Operating expenses in the Consolidated Statements of Operations.

**Voya Retirement Insurance and Annuity Company and Subsidiaries****(A wholly owned subsidiary of Voya Holdings Inc.)****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

***Non-Qualified Retirement Plans***

The Company, in conjunction with Voya Services Company, offers certain eligible employees (other than Career Agents) a Supplemental Executive Retirement Plan and an Excess Plan (collectively, the "SERPs"). Benefit accruals under Aetna Financial Services SERPs ceased, effective as of December 31, 2001 and participants began accruing benefits under Voya Services SERPs. Benefits under the SERPs are determined based on an eligible employee's years of service and average annual compensation for the highest five years during the last ten years of employment.

Effective January 1, 2012, the Supplemental Executive Retirement Plan was amended to coordinate with the amendment of the Retirement Plan from its current final average pay formula to a cash balance formula.

The Company, in conjunction with Voya Services Company, sponsors the Pension Plan for Certain Producers of Voya Retirement Insurance and Annuity Company (the "Agents Non-Qualified Plan"). This plan covers certain full-time insurance salespeople who have entered into a career agent agreement with the Company and certain other individuals who meet the eligibility criteria specified in the plan ("Career Agents"). The Agents Non-Qualified Plan was frozen effective January 1, 2002. In connection with the termination, all benefit accruals ceased and all accrued benefits were frozen.

The SERPs and Agents Non-Qualified Plan, are non-qualified defined benefit pension plans, which means all the SERPs benefits are payable from the general assets of the Company and Agents Non-Qualified Plan benefits are payable from the general assets of the Company and Voya Services Company. These non-qualified defined benefit pension plans are not guaranteed by the PBGC.

***Obligations and Funded Status***

The following table summarizes the benefit obligations for the SERPs and Agents Non-Qualified Plan as of December 31, 2015 and 2014:

	<b>Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
Change in benefit obligation:		
Benefit obligation, January 1	\$ 96.6	\$ 84.1
Interest cost	4.1	4.0
Benefits paid	(5.3)	(4.8)
Actuarial (gains) losses on obligation	(7.3)	13.3
Benefit obligation, December 31	<u>\$ 88.1</u>	<u>\$ 96.6</u>

Amounts recognized on the Consolidated Balance Sheets in Other liabilities and in AOCI were as follows as of December 31, 2015 and 2014:

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
Accrued benefit cost	\$ (88.1)	\$ (96.6)
Accumulated other comprehensive income (loss):		
Prior service cost (credit)	(3.7)	(4.9)
Net amount recognized	<u>\$ (91.8)</u>	<u>\$ (101.5)</u>

**Voya Retirement Insurance and Annuity Company and Subsidiaries****(A wholly owned subsidiary of Voya Holdings Inc.)****Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

*Assumptions*

The weighted-average assumptions used in the measurement of the December 31, 2015 and 2014 benefit obligation for the SERPs and Agents Non-Qualified Plan, were as follows:

	<b>2015</b>	<b>2014</b>
Discount rate	4.81%	4.36%
Rate of compensation increase	4.00%	4.00%

In determining the discount rate assumption, the Company utilizes current market information provided by its plan actuaries, including a discounted cash flow analysis of the Company's pension obligation and general movements in the current market environment. The discount rate modeling process involves selecting a portfolio of high quality, noncallable bonds that will match the cash flows of the Retirement Plan. Based upon all available information, it was determined that 4.81% was the appropriate discount rate as of December 31, 2015, to calculate the Company's accrued benefit liability.

The weighted-average assumptions used in calculating the net pension cost were as follows:

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Discount rate	4.36%	4.95%	4.05%
Rate of compensation increase	4.00%	4.00%	4.00%

Since the benefit plans of the Company are unfunded, an assumption for return on plan assets is not required.

*Net Periodic Benefit Costs*

Net periodic benefit costs for the SERPs and Agents Non-Qualified Plan were as follows for the years ended December 31, 2015, 2014 and 2013:

	<b>Year Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Interest cost	\$ 4.1	\$ 4.0	\$ 3.8
Amortization of prior service cost (credit)	(1.2)	(1.2)	(1.2)
Net (gain) loss recognition	(7.3)	13.3	(9.1)
Net periodic (benefit) cost	<u>\$ (4.4)</u>	<u>\$ 16.1</u>	<u>\$ (6.5)</u>

*Cash Flows*

In 2016, the Company is expected to contribute \$5.5 to the SERPs and Agents Non-Qualified Plan. Future expected benefit payments related to the SERPs and Agents Non-Qualified Plan, for the years ended December 31, 2016 through 2020 and thereafter through 2025, are estimated to be \$5.5, \$5.6, \$5.7, \$5.6, \$6.0 and \$27.9, respectively.

*Share Based Compensation Plans*

Certain employees of the Company participate in the 2013 and 2014 Omnibus Employee Incentive Plans ("the Omnibus Plans") sponsored by Voya Financial, Inc., with respect to awards granted in 2013 through 2015. Certain employees also participate in various ING Group share-based compensation plans with respect to awards granted prior to 2013. Upon closing of the IPO, certain awards granted by ING Group that, upon vesting, would have been issuable in the form of American Depositary Receipts ("ADRs") of ING Group were converted into performance shares or restricted stock units ("RSUs") under the Omnibus Plans that upon vesting, will be issuable in Voya Financial, Inc. common stock.

The Company was allocated compensation expense from Voya Financial, Inc. and ING Group of \$22.0, \$25.1 and \$17.0 for the years ended December 31, 2015, 2014 and 2013, respectively.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

The Company recognized tax benefits of \$7.7, \$8.6 and \$6.0 in 2015, 2014 and 2013, respectively. Excess tax benefits are recognized in Additional paid-in capital and are accounted for in a single pool available to all share-based compensation awards. Excess tax benefits in Additional paid-in capital are not recognized until the benefits result in a reduction in taxes payable. The Company uses tax law ordering when determining when excess tax benefits have been realized.

In addition, the Company, in conjunction with Voya Services Company, sponsors the following benefit plans:

- The Voya 401(k) Plan for VRIAC Agents, which allows participants to defer a specified percentage of eligible compensation on a pre-tax basis. Effective January 1, 2006, the Company match equals 60% of a participant's pre-tax deferral contribution, with a maximum of 6% of the participant's eligible pay. A request for a determination letter on the qualified status of the Voya 401(k) Plan for VRIAC Agents was filed with the IRS on January 1, 2014. A favorable determination letter was received dated August 28, 2014.
- The Producers' Incentive Savings Plan, which allows participants to defer up to a specified portion of their eligible compensation on a pre-tax basis. The Company matches such pre-tax contributions at specified amounts.
- The Producers' Deferred Compensation Plan, which allows participants to defer up to a specified portion of their eligible compensation on a pre-tax basis.
- Certain health care and life insurance benefits for retired employees and their eligible dependents. The postretirement health care plan is contributory, with retiree contribution levels adjusted annually and the Company subsidizes a portion of the monthly per-participant premium. Beginning August 1, 2009, the Company moved from self-insuring these costs and began to use a private-fee-for-service Medicare Advantage program for post-Medicare eligible retired participants. In addition, effective October 1, 2009, the Company no longer subsidizes medical premium costs for early retirees. This change does not impact any participant currently retired and receiving coverage under the plan or any employee who is eligible for coverage under the plan and whose employment ended before October 1, 2009. The Company continues to offer access to medical coverage until retirees become eligible for Medicare. The life insurance plan provides a flat amount of noncontributory coverage and optional contributory coverage.
- The Voya Financial, Inc. Supplemental Executive Retirement Plan, which is a non-qualified defined benefit restoration pension plan.
- The Voya Financial, Inc. Deferred Compensation Savings Plan, which is a non-qualified deferred compensation plan that includes a 401(k) excess component.

The benefit charges allocated to the Company related to these plans for the years ended December 31, 2015, 2014 and 2013, were \$12.5, \$12.8 and \$11.3, respectively.

## **12. Financing Agreements**

### *Windsor Property Loan*

On June 16, 2007, the State of Connecticut acting by the Department of Economic and Community Development ("DECD") loaned VRIAC \$9.9 (the "DECD Loan") in connection with the development of the corporate office facility located at One Orange Way, Windsor, Connecticut that serves as the principal executive offices of the Company (the "Windsor Property"). The loan has a term of twenty years and bears an annual interest rate of 1.0%. As long as no defaults have occurred under the loan, no payments of principal or interest are due for the initial ten years of the loan. For the second ten years of the DECD Loan term, VRIAC is obligated to make monthly payments of principal and interest.

The DECD Loan provided for loan forgiveness during the first five years of the term at varying amounts up to \$5.0 if VRIAC and its affiliates met certain employment thresholds at the Windsor Property during that period. On December 1, 2008, the DECD determined that the Company had met the employment thresholds for loan forgiveness and, accordingly, forgave \$5.0 of the DECD Loan to VRIAC in accordance with the terms of the DECD Loan. The DECD Loan provides additional loan forgiveness at varying amounts up to \$4.9 if VRIAC and its Voya affiliates meet certain employment thresholds at the Windsor Property during years five through ten of the loan. VRIAC's obligations under the DECD Loan are secured by an unlimited recourse guaranty from its affiliate, Voya Services Company. In November 2012, VRIAC provided a letter of credit to the DECD in the amount of \$10.6 as security for its repayment obligations with respect to the loan.

## Voya Retirement Insurance and Annuity Company and Subsidiaries

(A wholly owned subsidiary of Voya Holdings Inc.)

### Notes to the Consolidated Financial Statements

(Dollar amounts in millions, unless otherwise stated)

At December 31, 2015 and 2014, the amount of the loan outstanding was \$4.9, which was reflected in Long-term debt on the Consolidated Balance Sheets.

### 13. Commitments and Contingencies

#### *Leases*

All of the Company's expenses for leased and subleased office properties are paid for by an affiliate and allocated back to the Company, as all remaining operating leases were executed by Voya Services Company as of December 31, 2008, which resulted in the Company no longer being party to any operating leases. For the years ended December 31, 2015, 2014 and 2013, rent expense for leases was \$4.1, \$3.8 and \$4.0, respectively.

#### *Commitments*

Through the normal course of investment operations, the Company commits to either purchase or sell securities, mortgage loans, or money market instruments, at a specified future date and at a specified price or yield. The inability of counterparties to honor these commitments may result in either a higher or lower replacement cost. Also, there is likely to be a change in the value of the securities underlying the commitments.

As of December 31, 2015 and 2014, the Company had off-balance sheet commitments to acquire mortgage loans of \$221.0 and \$194.6, respectively, and purchase limited partnerships and private placement investments of \$330.4 and \$139.4, respectively.

#### *Restricted Assets*

The Company is required to maintain assets on deposit with various regulatory authorities to support its insurance operations. The Company may also post collateral in connection with certain securities lending, repurchase agreements, funding agreement, letter of credit ("LOC") and derivative transactions as described further in this note. The components of the fair value of the restricted assets were as follows as of the dates indicated:

	December 31,	
	2015	2014
Other fixed maturities-state deposits	\$ 13.5	\$ 13.5
Securities pledged <sup>(1)</sup>	249.2	235.3
Total restricted assets	<u>\$ 262.7</u>	<u>\$ 248.8</u>

<sup>(1)</sup> Includes the fair value of loaned securities of \$178.9 and \$174.9 as of December 31, 2015 and 2014, respectively. In addition, as of December 31, 2015 and 2014, the Company delivered securities as collateral of \$70.3 and \$60.4, respectively. Loaned securities and securities delivered as collateral are included in Securities pledged on the Consolidated Balance Sheets.

#### *Litigation, Regulatory Matters and Loss Contingencies*

Litigation, regulatory and other loss contingencies arise in connection with the Company's activities as a diversified financial services firm. The Company is a defendant in a number of litigation matters arising from the conduct of its business, both in the ordinary course and otherwise. In some of these matters, claimants seek to recover very large or indeterminate amounts, including compensatory, punitive, treble and exemplary damages. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages and other relief. Claimants are not always required to specify the monetary damages they seek or they may be required only to state an amount sufficient to meet a court's jurisdictional requirements. Moreover, some jurisdictions allow claimants to allege monetary damages that far exceed any reasonably possible verdict. The variability in pleading requirements and past experience demonstrates that the monetary and other relief that may be requested in a lawsuit or claim often bears little relevance to the merits or potential value of a claim. Litigation against the Company includes a variety of claims including negligence, breach of contract, fraud, violation of regulation or statute, breach of fiduciary duty, negligent misrepresentation, failure to supervise, elder abuse and other torts.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

As with other financial services companies, the Company periodically receives informal and formal requests for information from various state and federal governmental agencies and self-regulatory organizations in connection with inquiries and investigations of the products and practices of the Company or the financial services industry. It is the practice of the Company to cooperate fully in these matters. Regulatory investigations, exams, inquiries and audits could result in regulatory action against the Company. The potential outcome of such action is difficult to predict but could subject the Company to adverse consequences, including, but not limited to, settlement payments, additional payments to beneficiaries and additional escheatment of funds deemed abandoned under state laws. They may also result in fines and penalties and changes to the Company's procedures for the identification and escheatment of abandoned property or the correction of processing errors and other financial liability.

The outcome of a litigation or regulatory matter is difficult to predict and the amount or range of potential losses associated with these or other loss contingencies requires significant management judgment. It is not possible to predict the ultimate outcome or to provide reasonably possible losses or ranges of losses for all pending regulatory matters, litigation and other loss contingencies. While it is possible that an adverse outcome in certain cases could have a material adverse effect upon the Company's financial position, based on information currently known, management believes that neither the outcome of pending litigation and regulatory matters, nor potential liabilities associated with other loss contingencies, are likely to have such an effect. However, given the large and indeterminate amounts sought in certain litigation and the inherent unpredictability of all such matters, it is possible that an adverse outcome in certain of the Company's litigation or regulatory matters, or liabilities arising from other loss contingencies, could, from time to time, have a material adverse effect upon the Company's results of operations or cash flows in a particular quarterly or annual period.

For some matters, the Company is able to estimate a possible range of loss. For such matters in which a loss is probable, an accrual has been made. For matters where the Company, however, believes a loss is reasonably possible, but not probable, no accrual is required. For matters for which an accrual has been made, but there remains a reasonably possible range of loss in excess of the amounts accrued or for matters where no accrual is required, the Company develops an estimate of the unaccrued amounts of the reasonably possible range of losses. As of December 31, 2015, the Company estimates the aggregate range of reasonably possible losses, in excess of any amounts accrued for these matters as of such date, is not material to the Company.

For other matters, the Company is currently not able to estimate the reasonably possible loss or range of loss. The Company is often unable to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support an assessment of the range of possible loss, such as quantification of a damage demand from plaintiffs, discovery from plaintiffs and other parties, investigation of factual allegations, rulings by a court on motions or appeals, analysis by experts and the progress of settlement discussions. On a quarterly and annual basis, the Company reviews relevant information with respect to litigation and regulatory contingencies and updates the Company's accruals, disclosures and reasonably possible losses or ranges of loss based on such reviews.

## **14. Related Party Transactions**

### ***Operating Agreements***

VRIAC has certain agreements whereby it generates revenues and incurs expenses with affiliated entities. The agreements are as follows:

- Investment Advisory agreement with Voya Investment Management LLC ("VIM"), an affiliate, in which VIM provides asset management, administrative and accounting services for VRIAC's general account. VRIAC incurs a fee, which is paid quarterly, based on the value of the assets under management. For the years ended December 31, 2015, 2014 and 2013, expenses were incurred in the amounts of \$51.5, \$50.2 and \$48.5, respectively.
- Services agreement with Voya Services Company for administrative, management, financial and information technology services, dated January 1, 2001 and amended effective January 1, 2002. For the years ended December 31, 2015, 2014 and 2013, expenses were incurred in the amounts of \$235.1, \$197.7 and \$187.1, respectively.
- Services agreement between VRIAC and its U.S. insurance company affiliates and other affiliates for administrative, management, financial and information technology services, dated January 1, 2001 and amended effective January 1, 2002, December 31, 2007 and October 1, 2008. For the years ended December 31, 2015, 2014 and 2013, net expenses related to the agreement were incurred in the amount of \$26.7, \$26.9 and \$22.6, respectively.

## **Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

### **Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

- Service agreement with Voya Institutional Plan Services, LLC ("VIPS") effective November 30, 2008 pursuant to which VIPS provides record-keeper services to certain benefit plan clients of VRIAC. For the years ended December 31, 2015, 2014 and 2013, VRIAC's net earnings related to the agreement were in the amount of \$7.5, \$8.1 and \$8.2, respectively.
- Intercompany agreement with VIM pursuant to which VIM agreed, effective January 1, 2010, to pay the Company, on a monthly basis, a portion of the revenues VIM earns as investment adviser to certain U.S. registered investment companies that are investment options under certain of the Company's variable insurance products. For the years ended December 31, 2015, 2014 and 2013, revenue under the VIM intercompany agreement was \$35.0, \$31.9 and \$30.5, respectively.
- Variable annuity, fixed insurance and mutual fund products issued by VRIAC are sold by Voya Financial Advisors, Inc. ("VFA"), an affiliate of VRIAC. For the years ended December 31, 2015, 2014 and 2013 commission expenses incurred by VRIAC were \$74.0, \$71.6 and \$71.1, respectively.

Management and service contracts and all cost sharing arrangements with other affiliated companies are allocated in accordance with the Company's expense and cost allocation methods. Revenues and expenses recorded as a result of transactions and agreements with affiliates may not be the same as those incurred if the Company was not a wholly owned subsidiary of its Parent.

DSL has certain agreements whereby it generates revenues and expenses with affiliated entities, as follows:

- Underwriting and distribution agreements with Voya Insurance and Annuity Company ("VIAC") and ReliaStar Life Insurance Company of New York ("RLNY"), affiliated companies as well as VRIAC, whereby DSL serves as the principal underwriter for variable insurance products and provides wholesale distribution services for mutual fund custodial products. In addition, DSL is authorized to enter into agreements with broker-dealers to distribute the variable insurance products and appoint representatives of the broker-dealers as agents. For the years ended December 31, 2015, 2014 and 2013, commissions were collected in the amount of \$229.7, \$244.9 and \$242.1, respectively. Such commissions are, in turn, paid to broker-dealers.
- Intercompany agreements with each of VIAC, VIPS, ReliaStar Life Insurance Company and Security Life of Denver Insurance Company (individually, the "Contracting Party") pursuant to which DSL agreed, effective January 1, 2010, to pay the Contracting Party, on a monthly basis, a portion of the revenues DSL earns as investment adviser to certain U.S. registered investment companies that are either investment option under certain variable insurance products of the Contracting Party or are purchased for certain customers of the Contracting Party. For the years ended December 31, 2015, 2014 and 2013, expenses were incurred under these intercompany agreements in the aggregate amount of \$206.5, \$231.5 and \$230.5, respectively.
- Service agreement with RLNY whereby DSL receives managerial and supervisory services and incurs a fee. For the years ended December 31, 2015, 2014 and 2013, expenses were incurred under this service agreement in the amount of \$2.8, \$3.3 and \$3.4, respectively.
- Administrative and advisory services agreements with Voya Investments, LLC and VIM, affiliated companies, in which DSL receives certain services for a fee. The fee for these services is calculated as a percentage of average assets of Voya Investors Trust. For the years ended December 31, 2015, 2014 and 2013, expenses were incurred in the amounts of \$67.8, \$45.5 and \$34.0, respectively.

#### ***Reinsurance Agreements***

The Company has entered into the following agreements that were accounted for under the deposit method with two of its affiliates. As of December 31, 2015 and 2014, the Company had deposit assets of \$91.0 and \$93.9, respectively, and deposit liabilities of \$194.8 and \$201.1, respectively, related to these agreements. Deposit assets and liabilities are included in Other assets and Other liabilities, respectively, on the Consolidated Balance Sheets.

Effective January 1, 2014, VRIAC entered into a coinsurance agreement with Langhorne I, LLC, an affiliated captive reinsurance company, to manage reserve and capital requirements in connection with a portion of our Stabilizer and Managed Custody Guarantee business.

Effective, December 31, 2012, the Company entered into an automatic reinsurance agreement with its affiliate, SLDI, to manage the reserve and capital requirements in connection with a portion of its deferred annuities business. Under the terms of the agreement, the Company will reinsure to SLDI, on an indemnity reinsurance basis, a quota share of its liabilities on certain contracts. The quota share percentage with respect to the contracts that are delivered or issued for delivery in the State of New York will be

**Voya Retirement Insurance and Annuity Company and Subsidiaries**

**(A wholly owned subsidiary of Voya Holdings Inc.)**

**Notes to the Consolidated Financial Statements**

(Dollar amounts in millions, unless otherwise stated)

---

90% and the quota share percentage with respect to the contracts that are delivered or issued for delivery outside of the State of New York will be 100%.

***Investment Advisory and Other Fees***

Effective January 1, 2007, VRIAC's investment advisory agreement to serve as investment advisor to certain variable funds offered in Company products (collectively, the "Company Funds"), was assigned to DSL. VRIAC is also compensated by the separate accounts for bearing mortality and expense risks pertaining to variable life and annuity contracts. Under the insurance and annuity contracts, the separate accounts pay VRIAC daily fees that, on an annual basis are, depending on the product, up to 3.4% of their average daily net assets. The total amount of compensation and fees received by the Company from the Company Funds and separate accounts totaled \$258.9, \$210.4 and \$152.4 (excludes fees paid to Voya Investment Management Co. LLC) in 2015, 2014 and 2013, respectively.

DSL has been retained by Voya Investors Trust, an affiliate, pursuant to a management agreement to provide advisory, management, administrative and other services to Voya Investors Trust. Under the management agreement, DSL provides or arranges for the provision of all services necessary for the ordinary operations of Voya Investors Trust. DSL earns a monthly fee based on a percentage of average daily net assets of Voya Investors Trust. DSL has entered into an administrative services subcontract with Voya Investments, LLC, an affiliate, pursuant to which Voya Investments, LLC, provides certain management, administrative and other services to Voya Investors Trust and is compensated a portion of the fees received by DSL under the management agreement. In addition to being the investment advisor of the Trust, DSL is the investment advisor of Voya Partners, Inc., an affiliate. DSL and Voya Partners, Inc. have an investment advisory agreement, whereby DSL has overall responsibility to provide portfolio management services for Voya Partners, Inc. Voya Partners, Inc. pays DSL a monthly fee which is based on a percentage of average daily net assets. For the years ended December 31, 2015, 2014 and 2013, revenue received by DSL under these agreements (exclusive of fees paid to affiliates) was \$379.7, \$414.3 and \$418.2, respectively. At December 31, 2015 and 2014, DSL had \$30.1 and \$33.0, respectively, receivable from Voya Investors Trust under the management agreement.

***Financing Agreements***

***Reciprocal Loan Agreement***

The Company maintains a reciprocal loan agreement with Voya Financial, Inc., an affiliate, to facilitate the handling of unanticipated short-term cash requirements that arise in the ordinary course of business. Under this agreement, which became effective in June 2001 and expires on April 1, 2016, either party can borrow from the other up to 3.0% of the Company's statutory admitted assets as of the preceding December 31. During the years ended December 31, 2015 and 2014, interest on any borrowing by either the Company or Voya Financial, Inc. was charged at a rate based on the prevailing market rate for similar third-party borrowings or securities. During the year ended December 31, 2013, interest on any Company borrowing was charged at the rate of Voya Financial, Inc.'s cost of funds for the interest period, plus 0.15%. During the year ended December 31, 2013, interest on any Voya Financial, Inc. borrowing was charged at a rate based on the prevailing interest rate of U.S. commercial paper available for purchase with a similar duration.

Under this agreement, the Company incurred \$0.1 interest expense for the year ended December 31, 2015. The Company incurred immaterial interest expense for the year ended December 31, 2014 and no interest expense for the year ended December 31, 2013. The Company earned interest income of \$0.8 and \$0.4 for the years ended December 31, 2015 and 2014, respectively. The Company earned no interest income for the year ended December 31, 2013. Interest expense and income are included in Interest expense and Net investment income, respectively, in the Consolidated Statements of Operations. As of December 31, 2015 and 2014, the Company did not have any outstanding receivable/payable with Voya Financial, Inc. under the reciprocal loan agreement.

***Note with Affiliate***

On December 29, 2004, VIAC issued a surplus note in the principal amount of \$175.0 (the "Note") scheduled to mature on December 29, 2034, to VRIAC. The Note bears interest at a rate of 6.26% per year. Interest is scheduled to be paid semi-annually in arrears on June 29 and December 29 of each year, commencing on June 29, 2005. Interest income was \$11.1 for the years ended December 31, 2015, 2014 and 2013.