
Minutes

A regular meeting of the Virginia Retirement System Benefits and Actuarial Committee was held on February 4, 2026, in Richmond, Virginia with the following members participating:

John M. Bennett, Chair
Lindsey K. Pantele, Vice Chair
Jessica L. Hood

Board members participating:

Lawrence A. Bernert, III, Board Vice Chair (*remotely from Virginia Beach, VA under § 2.2-3708.3(B)(3)*)
J. Clifford Foster, IV

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Rory Badura, Ty Bowers, Jessica Budd, Dorothy Chiddo, Michael Cooper, Sara Denson, Curtis Doughtie, Antonio Fisher, Robert Irving, Sandy Jack, Angela Payne, Virginia Sowers, Amethyst Sloane and Emily Trent.

Guests:

Jacob Hodges, Encore; and Alexandra Jansson, Joint Legislative Audit and Review Commission

The meeting convened at 1:01 p.m.

Opening Remarks

Mr. Bennett called the meeting to order and welcomed everyone to the February 4, 2026, meeting of the VRS Benefits and Actuarial Committee. Mr. Bennett noted the meeting was being held in accordance with § 2.2-3708.3(B)(3) of the *Code of Virginia* and advised that no public comment would be accepted at the meeting. Members of the public who wish to submit comments may email the Board at trustees@varetire.org or by mail at P.O. Box 1200, Richmond, VA 23218.

Next, Mr. Bennett took attendance with the following roll call:

Ms. Hood: Present.
Ms. Pantele: Present.
Mr. Foster: Present.
Mr. Bernert: Present.
Mr. Bennett: Present.

Approval of Minutes

Upon a motion by Ms. Pantele, with a second by Mr. Foster, the Committee unanimously approved the minutes of its November 12, 2025, meeting.

Overview of Cost-of-Living Increases

Rory Badura, Senior Staff Actuary, presented an overview of the 2026 cost-of-living adjustments (COLAs). Mr. Badura advised that per § 51.1-166 of the *Code of Virginia*, COLAs are to be based on the monthly CPI-U averages and, while the month of October was not reported due to the federal government shutdown, the Bureau of Labor Statistics published the 11 month average for 2025, which was used in the calculations to determine the annual post-retirement increases.

Virginia Sickness and Disability Program

Gabriel, Roeder, Smith & Company (GRS), the plan actuary, provided VRS staff with recommendations regarding statutory annual adjustments to the Virginia Sickness and Disability Program (VSDP) creditable compensation for members receiving long-term disability. For VSDP, Mr. Badura advised that the Plan Actuary recommends an increase in the creditable compensation for VRS pension benefit purposes of 4.00%, effective July 1, 2026. In addition, a cost-of-living adjustment (COLA) in the amount of 2.63% shall be applied to long-term disability (LTD) benefit payments for Plan 1 members vested prior to January 1, 2013. A COLA of 2.32% shall be applied for Plan 1 members not vested prior to January 1, 2013, and all Plan 2 and Hybrid Retirement Plan members who have been recipients of LTD benefits for at least one year.

The calculations were reviewed by VRS staff and Internal Audit.

Virginia Local Disability Program

Next, Mr. Badura reviewed the Plan Actuary's recommendations regarding increases in the Virginia Local Disability Program (VLDP) creditable compensation. Increases in VLDP creditable compensation are calculated each year based on the combined average increase in the pay rate for Teachers and Political Subdivisions participating in the Hybrid Retirement Plan at the beginning and end of the most recent plan year before the date of determination of the COLA. These increases are not applied on an annual basis but are applied to a member's average final compensation if the member retires directly from long-term disability.

Mr. Badura advised the VLDP increase in creditable compensation for VRS pension benefit purposes will be 4.00%. Unlike VSDP, members of VLDP do not receive a cost-of-living adjustment on LTD benefits. The calculations for the increase in creditable compensation were reviewed by VRS staff and Internal Audit.

Following some discussion, the Committee considered the proposed requests for board action.

Upon a motion by Ms. Pantele, with a second by Mr. Foster, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Approval of July 1, 2026, increases relating to VSDP creditable compensation and VSDP COLA.

Request for Board Action: *Effective July 1, 2026, the following increases shall apply:*

- *The creditable compensation used in calculating the member's average final compensation at retirement shall be increased in the amount of 4.00% for a Plan 1, Plan 2, or Hybrid member who has been the recipient of long-term disability (LTD) benefits for at least one calendar year under the Virginia Sickness and Disability Program (VSDP); and*
- *A cost-of-living adjustment shall be applied to the net LTD benefit payment of 2.63% for Plan 1 members vested prior to January 1, 2013, or 2.32% for Plan 1 members not vested by January 1, 2013, and all Plan 2 and Hybrid members.*

Upon a motion by Ms. Pantele, with a second by Mr. Foster, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Approval of July 1, 2026, increase relating to VLDP creditable compensation.

Request for Board Action: *Effective July 1, 2026, each recipient of LTD benefits under the Virginia Local Disability Program (VLDP) who has been receiving LTD benefits for at least one calendar year, and who ultimately retires directly from LTD, will have their creditable compensation at date of disability increased by an amount set by the Board to be used in determining the member's average final compensation for disability retirement. The recommendation applicable to July 1, 2026, is an increase of 4.00% to be applied to a recipient's creditable compensation.*

Information Items

2026 COLAs Called for Under Statute Not Requiring Board Approval

Next, Mr. Badura noted that, by statute, VRS cost of living increases are based on the consumer price index for all items, all urban consumers, as published by the Bureau of Labor Statistics of the U.S. Department of Labor. Mr. Badura advised that the COLA increase effective July 1, 2026, of 2.63% is applicable to eligible Plan 1 members vested prior to January 1, 2013. A COLA increase of 2.32% is applicable to Plan 1 members not vested prior to January 1, 2013, and all Plan 2 and Hybrid Plan members effective July 1, 2026. This figure was calculated by GRS, the VRS plan actuary, and verified by VRS and Internal Audit staff. The COLA did not require action by the Committee.

The Group Life Insurance Program minimum benefit for members retired with at least 30 years of service is to be increased by the same COLA applicable to VRS Plan 2 members, or 2.32%, effective July 1, 2026. The new minimum life insurance payout, effective July 1, 2026, will be \$9,995. The Group Life Insurance Program minimum did not require action by the Committee. The calculations were reviewed by VRS staff and Internal Audit.

Mr. Bennett thanked Mr. Badura for his presentations.

Legislative Update

Sandy Jack, Director of Policy, Planning and Compliance, provided an update on the VRS-related legislation in the 2026 General Assembly session.

Mr. Bennett thanked Ms. Jack for her report.

Other Business

Lastly, Mr. Bennett noted the Committee is scheduled to meet next on April 15, 2026¹. The Investment Policy Committee will meet on February 5 at 11:00 a.m., followed by the full Board of Trustees at 1:00 p.m.

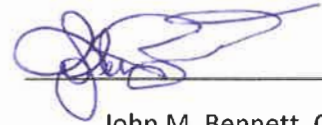
Adjournment

Upon a motion by Ms. Pantele, with a second by Mr. Foster, the Committee agreed to adjourn the meeting.

There being no further business, the meeting concluded at 1:36 p.m.

June 17, 2026

Date



John M. Bennett, Chair
Benefits and Actuarial Committee

¹ The April 15, 2026, meeting was subsequently cancelled.