
Minutes

A regular meeting of the Benefits and Actuarial Committee was held on October 15, 2025, in Richmond, Virginia with the following members participating:

John M. Bennett, Chair
Lindsey K. Pantele, Vice Chair (*remotely under § 2.2-3708.3(B)(4)*)
Jessica L. Hood

Board members participating:
Lawrence A. Bernert, III, Board Vice Chair (*remotely under § 2.2-3708.3(B)(3)*)
J. Clifford Foster, IV (*entered at 1:11 p.m.*)

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Rory Badura, Judy Bolt, Ty Bowers, Michael Cooper, David Cotter, Sara Denson, Valerie DiSanto, Curtis Doughtie, Andy Feagans, Antonio Fisher, Krystal Groff, Sandy Jack, Angela Payne, Virginia Sowers and Leslie Weldon.

Guests:

Jim Anderson, Becky Stouffer, Craig Graby, Michael Spadaro, Gabriel, Roeder, Smith & Company; Jacob Hodges, Encore; Alexandra Jansson, Joint Legislative Audit and Review Commission; and James Turpin, APCO.

The meeting convened at 1:02 p.m.

Opening Remarks

Mr. Bennett called the meeting to order and welcomed everyone to the October 15, 2025, meeting of the Benefits and Actuarial Committee. Mr. Bennett noted the meeting was being held in accordance with § 2.2-3708.3(B)(3) and § 2.2-3708.3(B)(4) 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. Bernert: Present.
Mr. Bennett: Present.

Approval of Minutes

Upon a motion by Ms. Hood, with a second by Ms. Pantele, the Committee approved the minutes of its June 9, 2025, meeting.

Gabriel, Roeder, Smith & Company (GRS) 2025 Presentation of the Actuarial Valuation Results for the Five Statewide Retirement Plans, Group Life Insurance, State and Teacher Retiree Health Insurance Credit, and the Virginia Sickness and Disability Program (includes self-funded long-term care)

Mr. Bennett introduced Jim Anderson and Becky Stouffer from the VRS plan actuary, Gabriel, Roeder, Smith & Company (GRS), who presented the June 30, 2025, actuarial valuations for the Five Statewide Retirement Plans, Group Life Insurance, the State and Teacher Health Insurance Credit, and the Virginia Sickness and Disability Program. The VRS actuary conducts annual valuations as of the close of the fiscal year (June 30). This year's valuation results will be used for rate-setting for fiscal years 2027 and 2028.

The valuation results incorporated recent changes for the quadrennial experience study that the Board approved during its April meeting. As discussed at that time, the changes in assumptions were expected to have only minor impacts on the developed employer contribution rates. In addition to assumption changes, the actual experience from the past year included higher than expected increases in salaries and cost-of-living adjustments (COLAs), which create actuarial losses. However, the investment return for the fund of 9.9% exceeded the long-term assumed rate of return of 6.75% for fiscal year 2025. The investment gains associated with the higher-than-expected investment return overshadowed the experience study changes and higher salaries and COLAs resulting in lower employer contribution rates for most plans and an increase in the funded status for all of the pension plans.

Recent legislation passed by the General Assembly places JRS members previously in the hybrid plan and future judges appointed on or after July 1, 2026 into Plan 2. Without this plan change the JRS contribution rate was expected to decrease to 24.31%. After reflecting the plan change the rate was 30.49% which was slightly less than prior biennium.

Plan	FY 2025/2026	FY 2027/2028
	Appropriation Act DB Only	VRS Board Certified Rates DB Only
State	12.52%	11.07%
Teachers	14.21%	12.20%
SPORS	31.32%	31.67%
VaLORS	24.60%	22.60%
JRS	30.67%	30.49%

System	2024	2025
	Funded Status Market Value Basis	Funded Status Market Value Basis
PENSIONS		
State	82.1%	85.4%
Teachers	82.7%	85.5%
SPORS	73.0%	76.0%
VaLORS	74.3%	77.6%
Judicial	88.3%	90.5%
Total State-wide systems	82.2%	85.1%

Mr. Anderson next provided an overview of the Other Post Employment Benefit plans (OPEBS), which also benefited from the investment gains and had lower employer contribution rates and higher funded status for each of the plans.

Plan	FY 2025/2026	FY 2027/2028
	Appropriation Act	VRS Board Certified Rates
Group Life	1.18%	1.06%
HIC State	1.12%	0.70%
HIC Teachers	1.21%	0.88%
VSDP	0.50%	0.42%

System	2024	2025
	Funded Status Market Value Basis	Funded Status Market Value Basis
OPEBS		
Group Life	72.5%	78.0%
HIC State	35.8%	42.5%
HIC Teachers	22.0%	27.3%
VSDP	211.0%	260.1%

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

RBA: Certify the contribution rates for the Five Statewide Retirement Plans and associated OPEBs, effective for FY 2027 and FY 2028.

Request for Board Action: After considering the recommendations of its actuary, the Board certifies the contribution rates, effective July 1, 2026, for (i) the five statewide Retirement Plans (State Employees, Teachers, Judicial Retirement System (JRS), State Police Officers' Retirement System (SPORS), and Virginia Law Officers Retirement System (VaLORS)) and (ii) the associated other post-employment benefits (OPEBs): Group Life Insurance (GLI), Health Insurance Credit (HIC), and the Virginia Sickness and Disability Program (VSDP), including self-funded Long-Term Care.

Mr. Bennett thanked Mr. Anderson and Ms. Stouffer for their presentation and noted Mr. Anderson would provide an abbreviated presentation to the Board on October 16.

Other Business

Lastly, Mr. Bennett noted the Committee will meet on November 12, 2025, to receive the valuations for the local plans and LODA. The full Board of Trustees will meet at 1:00 p.m. on October 16, 2025.



Adjournment

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

There being no further business, the meeting concluded at 2:19 p.m.

11/12/2025

Date

A handwritten signature in blue ink, appearing to read 'John M. Bennett', written over a horizontal line.

John M. Bennett, Chair
Benefits and Actuarial Committee