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## Minutes

A regular meeting of the Benefits and Actuarial Committee was held on November 12, 2025, in Richmond, Virginia with the following members participating:

John M. Bennett, Chair  
Lindsey K. Pantele, Vice Chair (*remotely from Richmond, VA under § 2.2-3708.3(B)(4)*)  
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, ZaeAnne Allen, Rory Badura, Judy Bolt, Ty Bowers, Dorothy Chiddo, Stephanie Conyers, Michael Cooper, David Cotter, Sara Denson, Valerie DiSanto, Curtis Doughtie, Antonio Fisher, Krystal Groff, Sandy Jack, Wendy Jenkins, Angela Payne and Virginia Sowers.

Guests:

Jim Anderson and Becky Stouffer, Gabriel, Roeder, Smith & Company; Jacob Hodges, Encore; Alexandra Jansson, Joint Legislative Audit and Review Commission; Michael Huffman, Virginia Assembly of Independent Baptists; and Tania Pengelly, S&P Global.

The meeting convened at 10:05 a.m.

### Opening Remarks

Mr. Bennett called the meeting to order and welcomed everyone to the November 12, 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](mailto: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. Foster: Present.  
Mr. Bennett: Present.

### Approval of Minutes

Upon a motion by Ms. Pantele, with a second by Mr. Foster, the Committee approved the minutes of its October 15, 2025, meeting.

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**Gabriel, Roeder, Smith & Company (GRS) 2025 Presentation of the Actuarial Valuation Results for Political Subdivision Retirement Plans, the Virginia Local Disability Program (VLDP), the Local Health Insurance Credit (HIC), and the Line of Duty Act (LODA) Fund**

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 Political Subdivision Retirement Plans, the Virginia Local Disability Program (VLDP), the Local Health Insurance Credit (HIC), and the Line of Duty Act (LODA) Fund. 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 from 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 contribution rates for most plans and an increase the funded status for most of the political subdivision plans.

Key points from the political subdivision retirement plans, local HIC and VLDP presentation include:

**Pensions:**

- Average funded status for the pension plans increased by 92% from last year's 89%. Of the 602 local employers, 275 had a funded status more than 100%.
- The average contribution rate for pension plans continued to trend lower dropping from 12.25% in the last rate-setting valuation to 10.46%.

**OPEBs**

- The funded status for HIC plans increased for political subdivisions in aggregate. The state-funded HIC plans for Constitutional Officers, Social Services employees, and Registrars all had increases in funded status. This is due both to higher-than-expected investment returns as well as additional contributions from maintaining the higher employer rates from the prior biennium.
- Contribution rates for the state-funded HIC plans saw decreases while the employer rates for 136 of the 236 political subdivision plans remained unchanged from the prior rate-setting due to funding policy provisions which maintain rates until plans reach a funded status of at least 75%.
- VLDP funded status decreased slightly for the Teachers plan as a result of assumption changes, while VLDP funded status for political subdivision plans trended higher. Each of the VLDP plans saw small increases in the employer rates due to assumption changes from the recent experience study.



Next, Ms. Stouffer provided the results for the Line of Duty Act (LODA) Fund.

Key points from the presentation include:

- The LODA plan is a pay-as-go plan that must collect the required funds to pay benefits expected to be incurred over the coming year.
- The LODA plan premium per full-time equivalent is expected to increase from \$1,015 to \$1,385.
- Increases in the premium rate were due in part to the following:
  - Higher than expected increases in healthcare premiums.
  - Increases in the healthcare trend rates.
  - Changes in the premium weighting from the recent experience study for some covered groups to better reflect observed experience.
- LODA fund premiums are inherently expected to increase each rate setting as the primary benefit is health insurance coverage which is expected to increase each year along with an increase in the number of members under claim.

Following some discussion and upon a motion by Ms. Hood, with a second by Mr. Foster, the Committee recommended approval of the following action to the full Board of Trustees:

**RBA: Approve contribution rates for Political Subdivision Retirement Plans; the Health Insurance Credit for political subdivisions, the State-Funded HIC for Constitutional Officers, Social Services Employees, and Registrars; the Virginia Local Disability Program; and the Line of Duty Act Fund, effective for FY 2027 and FY 2028.**

***Request for Board Action:** After considering the recommendations of its Plan Actuary, Gabriel, Roeder, Smith & Company, the Board accepts the June 30, 2025, valuation report for political subdivisions and the Health Insurance Credit (HIC) for certain political subdivisions; approves a contribution rate of 0.27% for constitutional officers, a rate of 0.20% for social services employees, and a contribution rate of 0.13% for general registrars; approves a contribution rate of 0.48% for the Virginia Local Disability Program (VLDP), including self-funded Long-Term Care for Teachers and a rate of 0.79% for VLDP, including self-funded Long-Term Care for Political Subdivisions; and approves a full-time equivalent premium rate of \$1,385.00 for the Line of Duty Death and Health Benefits Trust Fund (Fund), for both FY 2027 and FY 2028, to be effective July 1, 2026.*

Mr. Bennett thanked Mr. Anderson and Ms. Stouffer for their presentation and advised that GRS would provide an abbreviated presentation to the full Board of Trustees on November 13.

#### **Other Business**

Lastly, Mr. Bennett noted the Committee is scheduled to meet next on February 4, 2026. Ms. Bishop advised staff is monitoring the status of the CPI-U data related to the cost-of-living adjustments, and that dependent upon data availability, the meeting date may need to be adjusted.

#### **Adjournment**

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





Virginia  
Retirement  
System

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There being no further business, the meeting concluded at 11:23 a.m.

2/4/2026

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