
Minutes

A regular meeting of the Virginia Retirement System Benefits and Actuarial Committee was held on June 17, 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
William H. Leighty

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Rory Badura, Cassandra Coles, Michael Cooper, David Cotter, Sara Denson, Curtis Doughtie, Antonio Fisher, Robert Irving, Leslie LaBrie, Angela Payne, Paula Reid and Virginia Sowers.

Guests:

NaTosha Palmer, Securian Financial.

The meeting convened at 9:01 a.m.

Opening Remarks

Mr. Bennett called the meeting to order and welcomed everyone to the June 17, 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. Leighty: Present.
Mr. Bernert: Present.
Mr. Bennett: Present.

Approval of Minutes

Upon a motion by Ms. Pantele, with a second by Mr. Leighty, the Committee unanimously approved the minutes of its February 4, 2026, meeting.

Election of Committee Vice Chair

Following a nomination by Ms. Pantele, the Committee unanimously elected Ms. Hood to serve as Committee Vice Chair.

Early Retirement Factors Study

Rory Badura, Senior Staff Actuary, presented an update on the Early Retirement Factors Study to the Committee. Mr. Badura advised the first phase of the factors study involved updating the optional form factors to reflect the new mortality and discount rates for joint and survivor options, partial lump-sum option (PLOP), and the advanced pension option (APO). The new optional form factors went into effect for retirements after August 1, 2024. The second phase of the study is a review of the early retirement reduction factors.

Mr. Badura noted the *Code of Virginia* allows members who meet certain eligibility criteria to receive benefits prior to normal retirement and, in an effort to equalize the value that a member will receive from the Fund, such retirement allowance will be reduced for the period by which the actual retirement date precedes the unreduced retirement date. VRS currently uses fixed-rate reductions rather than a true actuarial equivalent. This method is used by most State retirement systems as it is easier to communicate and requires less frequent updating; however, it does provide a subsidy that varies by age and service.

Mr. Badura advised the Plan Actuary, Gabriel, Roeder, Smith & Company (GRS), reviewed the data and determined the VRS early retirement factors are well within common practice among state retirement systems both in terms of the use of simple factors and the subsidies provided. At this time, staff recommends maintaining the current structure and will continue to monitor early retirement patterns as Plan 2 and Hybrid retirements increase and will review the actual experience during the next quadrennial assumption review in 2029.

Mr. Bennett thanked Mr. Badura for his presentation.

Information Items

Group Life Insurance

Robert Irving, Customer Services Director, presented an administrative update regarding recommendations for the Group Life Insurance premium rate to the Committee. Mr. Irving advised VRS' third-party administrator, Securian Financial, administers the life insurance program which provides members with opportunities to purchase optional life insurance coverage. Reviews of premium rates are conducted annually and recommendations to maintain, increase or reduce rates are provided to VRS. Mr. Irving advised the recommendation, effective July 1, 2026, is an overall reduction of 3.00% for those aged 50-70 in the optional life insurance premiums for certain age groups.

Mr. Bennett thanked Mr. Irving for his report.

Stress Test and Sensitivity Analysis Report

Lastly, Mr. Badura presented the findings of the VRS Stress Test and Sensitivity Analysis Report. The report helps to identify possible vulnerabilities in investment strategies and funding policies and provides an analysis of potential impacts of various economic scenarios on VRS-administered retirement plans to support the future health of the retirement system. The current report is based on the June 30, 2025, actuarial valuations and focused on economic scenario testing, a review of other risks to plan funding, and strategies to enhance funding.

Mr. Badura advised that consecutive years of higher than assumed rates of return contributed to improving the funded status and lowering employer contribution rates for both retirement and other post-employment benefits (OPEB) plans; however, recent uncertainty in the markets highlights the need to identify opportunities to further strengthen the health of the plans. Due to current economic conditions, VRS will continue to analyze future impacts on the fund as new information becomes available.

Mr. Bennett thanked Mr. Badura for his presentation.

Other Business

Lastly, Mr. Bennett reviewed the upcoming meeting schedule:

- Administration, Finance and Talent Management Committee – June 17 at 10:30 a.m.
- Benefits and Actuarial Committee – October 14 at 1:00 p.m.

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 10:19 a.m.

10/14/26

Date



Lawrence A. Bernert, III, Chair
Benefits and Actuarial Committee