Minutes

A regular meeting of the Virginia Retirement System Benefits and Actuarial Committee was held on October 14, 2026, in Richmond, Virginia with the following members participating:

Lawrence A. Bernert, III, Chair
Jessica L. Hood, Vice Chair
John M. Bennett
Rokasha Edmondson, Ed.D.

Board members participating:
Susan T. Gooden, Ph.D., Board Chair
William H. Leighty

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, ZaeAnne Allen, Rory Badura, Judy Bolt, Ty Bowers, Michael Cooper, David Cotter, Sara Denson, Valerie Disanto, Curtis Doughtie, Andy Feagans, Antonio Fisher, Krystal Groff, Jay Henry, Robert Irving, Ryan LaRochelle, Daniel Lipok, Angela Payne, Mark Rein and Virginia Sowers.

Guests:

Alex Jansson, Joint Legislative Audit and Review Commission; Jim Anderson, Becky Stouffer and Michael Spadaro, Gabriel, Roeder, Smith & Company (GRS); and Bea Snidow, Virginia Education Association.

The meeting convened at 1:00 p.m.

Opening Remarks

Mr. Bernert called the meeting to order and welcomed everyone to the October 14, 2026, meeting of the VRS Benefits and Actuarial Committee. Mr. Bernert 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.

Mr. Bernert introduced the newest committee member, Dr. Rokasha Edmondson, who was appointed to the Board of Trustees in August. Her appointment fills the vacant seat of Lindsey Pantele who resigned earlier in the summer.

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

Mr. Bennett: Present.
Dr. Edmondson: Present.
Ms. Hood: Present.
Dr. Gooden: Present.
Mr. Leighty: Present.
Mr. Bernert: Present.

Approval of Minutes

Upon a motion by Mr. Bennett, with a second by Ms. Hood, the Committee unanimously approved the minutes of its June 17, 2026, meeting.

Election of Committee Vice Chair

Following a nomination by Mr. Bennett, the Committee unanimously elected Ms. Hood to continue serving as Committee Vice Chair.

VRS Funding Policy Statement Amendments

Rory Badura, Senior Staff Actuary, presented an overview of the recommended changes to the VRS Funding Policy Statement (Funding Policy). Mr. Badura advised that the purpose of the Funding Policy is to memorialize the methods by which the Board of Trustees has elected to fund each plan. The proposed changes include an amortization method to recognize surplus assets that are greater than the accrued liabilities. VRS adopted a closed amortization method in 2013 for plans that have not reached 100% funded status, however, staff determined that this method is not ideal in managing a surplus once a plan reaches 100% funded status. The proposed change includes applying varying open amortization periods based on the funded ratio percentage to ease the impact on employers. Additionally, the changes preserve some overfunding and provide a cushion in case of any future market downturns. Mr. Badura concluded by reviewing the amortization periods based on a plan's funded ratio on an actuarial value of assets basis and noted that if approved by the Board, these changes would be effective October 15, 2026, for actuarial valuations as of June 30, 2026, for all plans that reach or exceed a funded status greater than 100%.

Staff recommended the change in order to prioritize protecting the plans' funded status while reducing future risks and protecting plans from being excessively overfunded.

Mr. Bernert thanked Mr. Badura for his presentation.

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

RBA: Amend VRS Funding Policy Statement Regarding the Surplus Funding Policy for all Pension and OPEB Plans.

Request for Board Action: *The Board approves the changes to the VRS Funding Policy Statement (Funding Policy) regarding how to amortize surpluses in all pension and OPEB plans once any such plan reaches 100% funded status. Effective October 15, 2026, for actuarial valuations effective as of June 30, 2026, for all plans that reach or exceed a funded status of an AVA basis, surplus funding will be amortized in accordance with the following schedule:*

Funded Ratio on AVA Basis	Amortization Period
100-120%	20 year open
120-140%	15 year open
140-160%	10 year open
160%+	5 year open

In addition, for statewide pension and OPEB plans, the minimum contribution be at least equal to the plan's administrative expense.

There are also technical amendments to the Funding Policy to remove unnecessary appendices.

2026 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)

Next, Mr. Bernert introduced Jim Anderson and Becky Stouffer from the VRS plan actuary, Gabriel, Roeder, Smith & Company (GRS), who presented the June 30, 2026, 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 plan actuary conducts annual valuations as of the close of the fiscal year (June 30). The results in even-numbered years are shared with the Board of Trustees to inform the Board of any emerging trends or indications of the magnitude and direction of changes to contribution rates.

The market return for the total fund of 12.1% exceeded the long-term assumed rate of return of 6.75% for fiscal year 2026. For most statewide plans, the investment gain had the greatest impact on plan experience during the year which resulted in funded status increases for most plans and employer contribution rates trending lower except for the State Police Officers' Retirement System (SPORS) plan and the Virginia Law Officers' Retirement System (VaLORS) plan. The other notable change was due to modeling updates to better align liabilities for members with multiple employments across different employers. While this change had only minor impacts on most statewide plans, the VaLORS plan experienced a noteworthy increase in liabilities due to the level of turnover experienced by members of this plan.

Mr. Bernert thanked Mr. Anderson and Ms. Stouffer for their presentation.

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

RBA: Accept the Plan Actuary's Valuations as of June 30, 2026, for the Five Statewide Retirement Plans and associated OPEBs.

Request for Board Action: *The Virginia Retirement System Board of Trustees accepts the June 30, 2026, Actuarial Valuations conducted by the VRS plan actuary, Gabriel, Roeder, Smith & Company, for (i) the Five Statewide Retirement Plans: State Employees, Teachers, Judicial Retirement System, State Police*

Officers' Retirement System, and Virginia Law Officers' Retirement System; and (ii) the associated other post-employment benefits (OPEBs): Group Life Insurance, Health Insurance Credit Plans for both State and Teachers, and the Virginia Sickness and Disability Program, including self-funded Long-Term Care.

Other Business

Lastly, Mr. Bernert reviewed the upcoming meeting schedule[1]:

- Board of Trustees – October 15 at 1:00 p.m.
- Benefits and Actuarial Committee – November 12 at 10:00 a.m.

Adjournment

Upon a motion by Mr. Leighty, with a second by Mr. Bennett, the Committee agreed to adjourn the meeting.

There being no further business, the meeting concluded at 2:29 p.m.

1/12/26
Date

Jessica L. Hood, Vice Chair
Benefits and Actuarial Committee

[1] While not noted during the meeting, a meeting of the Administration, Finance and Talent Management Committee is scheduled for October 15, 2026, at 10:30 a.m.