Minutes

A regular meeting of the Defined Contribution Plans Advisory Committee (DCPAC) of the VRS Board of Trustees convened on May 14, 2026, with the following members present:

Dr. Susan Gooden, Chair
Hon. Matthew James, Vice Chair
Monique Barnes
Rebecca Fentress
C. Matt Harris
Kate Jonas
Brenda Madden
September Sanderlin

Members of the Board of Trustees:
John M. Bennett*
Jessica L. Hood

VRS Staff:
Ingrid Allen*, Trish Bishop, Jessica Budd, Michael Cooper, David Cotter, Valerie DiSanto*, Josh Fox, Arthur Gibson, Kelly Hiers, KC Howell, Robert Irving, Ryan LaRochelle, Daniel Lipok, Joyce Monroe*, Laura Pugliese, Sashi Sharma*, Michael Scott, Jennifer Schreck, Amethyst Sloane*, Virginia Sowers, Ashley Spradley*, Bridgette Watkins-Smith, Rachel Webb, and Tanya Williams*.

Guests:
Kimberly Sarte, JLARC; Dustin Benton*, TIAA; Ashley Lucas*, Voya; Lisa Giaffo*, Osmosis.

**Attended remotely*

The meeting convened at 1:00 p.m.

Opening Remarks

Dr. Gooden welcomed Committee members, Board members, agency officials, representatives from stakeholder groups and other members of the public joining in person and through electronic means, to the DCPAC.

Approval of Minutes

Upon a motion by Del. James and a second by Ms. Jonas, the minutes of the March 12, 2026, meeting were approved by the Committee.

Administrative Reports and Communications Update

Administrative Reports & Communications

Kelly Hiers, Defined Contribution Plans Administrator, provided an overview of the Defined Contribution Plans, as well as an update on administrative reports for the first quarter of 2026, which included reviewing assets and accounts across the various plans. Ms. Hiers advised the Committee that plan assets are down slightly due to market changes and the total number of plan accounts is up 10%.

Ms. Hiers provided an update regarding website access and online registrations following the transition to Voya, with a 10% increase since the end of the calendar year. Communications highlights were shared including the *Save More*, *Restart Contributions*, *Max Out Contributions,* and *Birthday* email campaigns, and various others.

DC Plans and Hybrid Plan Update

Ms. Hiers provided an update on COV 457 and Cash Match Plan assets and accounts. Assets were down slightly with accounts being slightly up. In general, there is not a lot of activity with this plan because it is an older plan. Hybrid Retirement plan accounts are up 13%. Ms. Hiers shared the impact of auto-escalation rates on the voluntary 457 rates. The next auto-escalation will be in 2029.

ORPHE Update

Mr. Hiers provided an overview of ORPHE reports for the first quarter of 2026, including plan assets and accounts. There is approximately $1.5 billion in ORPHE assets and a total of approximately 11,000 accounts.

Dr. Gooden thanked Ms. Hiers for her presentation.

DC Plans Investments Update

Performance Reports

Laura Pugliese, Portfolio Manager of Defined Contribution Plans, provided the Committee with a review of March 31, 2026, performance reports for the unbundled DC plans, and the TIAA Optional Retirement Plan for Higher Education (ORPHE).

Fund Updates

Ms. Pugliese, informed the Committee BlackRock is updating their target date glidepath to reflect research in the areas of labor income and life expectancy resulting in a slightly higher equity allocation along the glide path around the midpoint and nearing retirement. Ms. Pugliese notified the Committee that after successful negotiations BlackRock is lowering investment management fees on several of its funds.

KC Howell, Managing Director for Global Investments, provided an update on the VRS Board-approved Foreign Adversaries Policy and reviewed current DC plans exposure as of March 31, 2026. Mr. Howell reminded the Committee that it continues to monitor fund developments in this area and, where possible, will invest in funds that can be aligned with the Policy.

Callan 2026 DC Trends Survey Highlights

Ms. Pugliese provided an overview of highlights from the Callan 2026 DC Trends survey, which was included in the Appendix of the meeting materials. Ms. Pugliese noted there were 80 DC Plan sponsors, slightly lower than last year. This year's government respondents represented 16% of the total population, whereas last year it was 20%. Ms. Pugliese noted that this survey has always been useful with respect to benchmarking the VRS plans because of the respondents' plan sizes and investment menu offerings. Ms. Pugliese reviewed the trends in the areas of governance, investments, benchmarking, retirement income, and other topical areas.

Retirement Income

Ms. Pugliese provided an overview of how VRS provides participants with a robust selection of non-guaranteed retirement income payout options. Ms. Pugliese shared with the Committee that, in addition to these non-guaranteed payout options, participants also have the option to generate a lifetime guaranteed income stream via an immediate annuity purchase via MetLife (unbundled DC plans) or TIAA in the ORPHE. Notably, with the exception of optional plan participants, most VRS members also receive a pension from a defined benefit plan. Ms. Hiers demonstrated the new Retirement Income dashboard launched by Voya May 4, 2026. The dashboard is automatically visible for participants ages 50 and above. There are various screens available that will provide outcomes based on the information added, including a page to optimize savings paycheck amounts and deductions.

Ms. Pugliese shared that the Investment staff is performing additional research whereby provider companies are embedding lifetime guaranteed income products within target date fund offerings and will report back to the Committee at a future meeting.

Dr. Gooden thanked Ms. Pugliese and Ms. Hiers for their presentations.

Other Business

Plan Document Updates

David Cotter, Director of Legislative & Government Affairs, informed the Committee of the recommendations for amendments to the Virginia 457 and Cash Match, Hybrid 457 and Cash Match, ORPHE, ORPPA, ORPSS, and DCIP plan documents. Based on a recent review of the plan documents, in consultation with outside benefits counsel, several amendments necessitated by the passage of SECURE 2.0 and its final regulations were identified. The Internal Revenue Code provides that the amendments to reflect the provisions of SECURE 2.0 must be in place by December 31, 2029. The recordkeeper has already implemented (or will be implementing depending on the effective date) these amendments as they are required by SECURE 2.0, so the plan document amendments are effectively ministerial in nature.

Following a motion by Del. James, with a second by Ms. Barnes, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Approve Amended and Restated Plan Document: Virginia 457 and Cash Match, Hybrid 457 and Cash Match, ORPHE, ORPPA, ORPSS, and DCIP.

Request for Board Action: *The VRS Board of Trustees approves the Amended and Restated Virginia 457 and Cash Match, Hybrid 457 and Cash Match, ORPHE, ORPPA, ORPSS, and DCIP Plan Documents.*

Dr. Gooden thanked Mr. Cotter for his presentation.

DCPAC Reappointments

Trish Bishop, Director, informed the Committee of the request for reappointment of Monique Barnes, Ravindra Deo, Matt Harris, Kate Jonas, and Brenda Madden, each to a two-year term ending June 20, 2028. Their current terms expire on June 20, 2026.

Following a motion by Del. James, with a second by Ms. Fentress, the Committee recommended approval of the following action to the full Board of Trustees:

RBA: Reappointment of DCPAC Members.

Request for Board Action: *The Board reappoints Monique Barnes, Ravindra Deo, Matt Harris, Kate Jonas, and Brenda Madden, to the Defined Contribution Plans Advisory Committee (DCPAC), for a two-year term ending June 20, 2028.*

Dr. Gooden thanked Ms. Bishop for her presentation.

Discussion of New Ideas

No new ideas were presented.

Upcoming DCPAC Meetings

Dr. Gooden confirmed the remaining DCPAC meeting dates for 2026:

- September 10, 2026, at 1 p.m.
- December 3, 2026, at 1 p.m.

Adjournment

There being no further business, Dr. Gooden adjourned the meeting at 2:38 p.m. upon a motion by Del. James, with a second by Ms. Madden, and a vote of the Committee.

______________________ 9/10/26
Chair Date