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## Minutes

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

John M. Bennett, Chair  
Lindsey K. Pantele, Vice Chair  
Jessica L. Hood

**VRS Staff:**

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Rory Badura, Judy Bolt, Jeanne Chenault, Michael Cooper, Sara Denson, Antonio Fisher, Krystal Groff, Sandy Jack, Angela Payne, Andrew Ringle, Amethyst Sloane and Leslie Weldon.

**Guests:**

Kimberly Sarte and Alexandria Jansson, Joint Legislative Audit and Review Commission.

The meeting convened at 1:00 p.m.

### Opening Remarks

Mr. Bennett called the meeting to order and welcomed everyone to the April 15, 2025, meeting of the Benefits and Actuarial Committee. Mr. Bennett took attendance with the following roll call:

Ms. Hood: Present.  
Ms. Pantele: Present.  
Mr. Bennett: Present.

### Approval of Minutes

Upon a motion by Ms. Pantele, with a second by Ms. Hood, the Committee approved the minutes of its February 6, 2025, meeting.

### Experience Study

Mr. Bennett introduced Jim Anderson, Becky Stouffer and Jennifer Cagasan of Gabriel, Roeder, Smith & Company, the VRS Plan Actuary, who presented the results of the Experience Study for the period of July 1, 2020, to June 30, 2024.

The *Code of Virginia* requires the Board to review plan experience at least once in each four-year period to validate assumptions and make any necessary adjustments based on a comparison of actual experience to expected experience based on current assumptions. In addition to reviewing assumptions, GRS also reviewed the VRS Funding policy to ensure VRS is reflecting best practices.

GRS reviewed both economic and demographic assumptions. Some of the most impactful assumptions to plan liabilities are economic assumptions, which includes the plan discount rate. During this review, no significant changes were recommended to the economic assumptions, with a reduction in the payroll growth assumption for ValORS being the only recommendation.

Demographic assumptions include mortality, plan decrements (termination, retirement, etc.), as well as pay increases.

- Mortality table - Impactful assumption, however only small changes to mortality improvement scale were recommended which in turn had minor impacts to plan costs.
- Plan Decrements - only minor changes were made to plan decrements to reflect partial recognition of the actual experience observed.
- Pay Increases - continued trend of higher than expected salary increases which led to the recommendation to increase the salary scale by 0.50% for first 20 years of service, yet maintaining the ultimate rate of 3.5%. JRS salary assumptions were left unchanged.

The methodology was changed for how employers are grouped when developing assumptions for Political Subdivisions. Essentially, the Top 10 group was expanded to include employers in the same metropolitan regions as the current Top 10.

OPEB-specific (GLI, HIC, VSDP, VLDP, and LODA) assumptions were reviewed and slight updates were recommended. Certain HIC plans were using market value of assets for rate-setting and GRS has recommended that an actuarial value of assets be used for those plans going forward.

For LODA, a new classification of part-time employees was recognized for receiving less than a 100% weighting when determining the premiums. Additionally, the weightings for National Guard Weekenders and Volunteers were lowered. As a reminder LODA is pay-as-you go, so VRS has to collect enough in premiums to cover anticipated costs for the upcoming year. So as result of lowering the premium rates for members who are less than full time, full-time rates need to subsequently increase to cover the shortfall.

GRS recommended a modification to the methodology used in the development of the normal cost rate which will simplify the process but will also slightly increase rates.

Overall, the recommended changes were minor adjustments which are expected to have limited impacts on contribution rates and funded status during the next rate-setting.

Mr. Bennett thanked GRS for their presentation.

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

**RBA: Approval of Actuarial Assumptions based on July 1, 2020, to June 30, 2024, Experience Study.**

**Request for Board Action:** *The VRS Board of Trustees approves its plan actuary's recommendations as presented in the Experience Study (7/1/2020 to 6/30/2024) to change various assumptions, including: certain demographic assumptions regarding mortality rates, retirement rates, withdrawal rates, disability rates, salary increases and total payroll growth; method changes regarding the determination of normal cost; and various other post-employment benefits (OPEB) specific assumptions related to the Line of Duty Plan, Health Insurance Credit program, and the VSDP and VLDP disability programs.*

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**Other Business**

Lastly, Mr. Bennett noted the Audit and Compliance Committee will meet at 3:00 p.m. following the conclusion of the B&A meeting. The Administration, Finance and Talent Management Committee will meet on April 16 at 11:30 a.m., followed by the full Board of Trustees at 1:00 p.m.

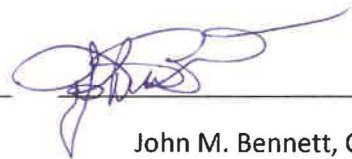
**Adjournment**

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 2:24 p.m.

6/9/25

Date



John M. Bennett, Chair  
Benefits and Actuarial Committee